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ABSTRACT

This publication presents the complete text of S. 2657, the Education Amendments of 1976, as amended by the House-Senate conference committee and submitted to both houses of Congress for final approval. Basically, S. 2657 extends the Higher Education Act of 1965 and extends and revises the Vocational Education Act of 1963. In addition to the final text of S. 2657, this booklet also presents a lengthy explanatory statement that outlines the changes from the original bill recommended by the committee and briefly discusses the rationale for those changes. (JG)

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94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-1701

EDUCATION AMENDMENTS

SEPTEMBER 27, 1976.—Ordered to be printed

Mr. PERKINS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 2657]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Education Amendments of 1976".

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TITLE I—HIGHER EDUCATION

PART A—COMMUNITY SERVICES AND CONTINUING EDUCATION

EXTENSION AND REVISION OF PROGRAM

SEC. 101. (a) Section 101 of the Higher Education Act of 1965 (hereafter in this title referred to as "the Act") is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 101. (a) For the purpose of (1) assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, (2) supporting the expansion of continuing education in colleges and universities and (3) supporting resource materials sharing programs, there are authorized to be appropriated $40,000,000 for the fiscal years 1977, 1978, and 1979.

"(b) For the purpose of carrying out a program for the promotion of lifelong learning in accordance with the provisions of part B, there are authorized to be appropriated, $20,000,000 for fiscal year 1977, $30,000,000 for fiscal year 1978, and $40,000,000 for fiscal year 1979.".

(b) Title I of such Act is amended—

(1)(A) by amending the heading of section 102 to read as follows:

"DEFINITION OF COMMUNITY SERVICE PROGRAM AND CONTINUING EDUCATION PROGRAM";

(B) by inserting "(a)" after the section designation of such section 102; and

(C) by inserting at the end thereof the following new subsections:

"(b) For purposes of this title the term 'continuing education program' means postsecondary instruction designed to meet the educational needs and interests of adults, including the expansion of available learning opportunities for adults who are not adequately served by current educational offerings in their communities.

"(c) For purposes of this title, the term 'resource materials sharing programs' means planning for the improved use of existing community learning resources by finding ways that combinations of agencies, institutions, and organizations can make better use of existing educational materials, communications technology, local facilities, and such human resources as will expand learning opportunities for adults in the area being served.";

(2) by amending section 103(a) to read as follows:

"SEC. 103. (a) From the sums appropriated pursuant to section 101 for any fiscal year which are not reserved under section 106(a), the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the population of such State bears to the population of the States, except that, for any fiscal year beginning on or after October 1, 1976, no State shall be allotted from such sums less than the amount which such State received during the fiscal year beginning July 1, 1975.

(3) by striking out "community service programs" in section 104 and inserting in lieu thereof "community service and continuing education programs, including resource material sharing programs,";

(4) by striking out so much of section 105(a) as precedes paragraph (1) and inserting in lieu thereof the following:

"Sec. 105. (a) Any State desiring to receive its allotment of funds under this part for use in community service and continuing education programs, including resource material sharing programs, shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service and continuing education programs, including resource material sharing programs, and shall submit to the Commissioner a State plan. If a State desires to designate for the purpose of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this part shall—".

(5) (A) by inserting "or combination" after "and institution" in section 105(a)(2); and

(B) by striking out "community service programs" each place it appears in such section and inserting in lieu thereof "community service and continuing education programs, including resource materials sharing programs,";

(6)(A) by inserting "and combinations thereof" immediately after "institution of higher education" each place it appears in section 105(a)(3);

(B) by striking out "community service programs" each place it appears in such section and inserting in lieu thereof "community service and continuing education programs, including resource materials sharing programs,"; and

(C) by striking out "in the light of information regarding current and anticipated community problems in the State" in subparagraph (C) of such section;

(7) by striking out "community service programs" in section 105(a)(4) and inserting in lieu thereof "community service and continuing education programs, including resource materials sharing programs,";

(8) by inserting "or combinations thereof" after "institutions of higher education" in section 105(a)(5);

(9) by striking section 105(a)(6) and inserting in lieu thereof the following:

"(6) assurances that all institutions of higher education in the State have been given the opportunity to participate in the development of the State plan."; and

(10) by inserting immediately after section 105(b) the following new subsection:

"(c) The Commissioner shall not by standard, rule, regulation, guideline, or any other means, either formal or informal, require a State to make any agreement or submit any data which is not specifically required by this part.".

(c) Section 107(a) of the Act is amended by striking out "$25,000" and inserting in lieu thereof "$40,000".

(d) Section 109 of the Act is amended to read as follows:

"JUDICIAL REVIEW

"SEC. 109. If a State's plan is not approved under section 105(b) or a State's eligibility to participate in the program is suspended as a result of the Commissioner's action under section 108(b), the State may within sixty days after notice of the Commissioner's decision institute a civil action in an appropriate United States district court. In such an action, the court shall determine the matter de novo.".

(e) Title I of the Act is further amended by redesignating sections 111, 112, and 113, and any references thereto, as sections 112, 113, and 114, respectively, and inserting immediately after section 110 the following new section:

"TECHNICAL ASSISTANCE AND ADMINISTRATION

"SEC. 111. (a) The Commissioner is authorized to reserve not to exceed 10 per centum of the amount appropriated for any fiscal year pursuant to section 101(a) in excess of $14,500,000 for the purpose of this section.

"(b) From funds reserved under subsection (a) of this section, the Commissioner shall provide technical assistance to the States and to institutions of higher education. Such technical assistance shall—

> *"(1) provide a national diffusion network to help assure that effective programs are known among such States and institutions;*
>
> *"(2) assist with the improvement of planning and evaluation procedures; and*
>
> *"(3) provide information about the changing enrollment patterns in postsecondary institutions, and provide assistance to such States and institutions in their efforts to understand these changing patterns and to accommodate them.".*

"(c) The Commissioner shall provide for coordination between community service and continuing education programs (including resource materials sharing programs) conducted by him with all other appropriate offices and agencies, including such offices and agencies which administer vocational education programs, adult education programs, career education programs, and student and institutional assistance programs.".

(f)(1) Section 112 of the Act (as redesignated by subsection (e)) is amended—

> *(A) by striking out "the Commissioner, who shall be Chairman," in subsection (a); and*
>
> *(B) by striking out "through June 30, 1975" in subsection (f) and inserting in lieu thereof "until the programs authorized by this part are terminated".*

(2) The text of section 113 of the Act (as redesignated by subsection (e)) is amended to read as follows: "Nothing in this section shall modify any authority under the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341–348).".

(g) Title I of the Act is further amended—

> *(1) by inserting before the section heading of section 101 the following:*

"PART A—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS";

(2) by striking out "this title" each time it appears in section 102 through section 112 of such title, and inserting in lieu thereof "this part"; and

(3) by adding at the end thereof the following new part:

"PART B—LIFELONG LEARNING

"FINDINGS

"SEC. 131. The Congress finds that—

"(1) accelerating social and technological change have had impact on the duration and quality of life;

"(2) the American people need lifelong learning to enable them to adjust to social, technological, political and economic changes;

"(3) lifelong learning has a role in developing the potential of all persons including improvement of their personal well-being, upgrading their workplace skills, and preparing them to participate in the civic, cultural, and political life of the Nation;

"(4) lifelong learning is important in meeting the needs of the growing number of older and retired persons;

"(5) learning takes place through formal and informal instruction, through educational programs conducted by public and private educational and other institutions and organizations, through independent study, and through the efforts of business, industry, and labor;

"(6) planning is necessary at the national, State, and local levels to assure effective use of existing resources in the light of changing characteristics and learning needs of the population;

"(7) more effective use should be made of the resources of the Nation's educational institutions in order to assist the people of the United States in the solution of community problems in areas such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use; and

"(8) American society should have as a goal the availability of appropriate opportunities for lifelong learning for all its citizens without regard to restrictions of previous education or training, sex, age, handicapping condition, social or ethnic background, or economic circumstance.

"SCOPE OF LIFELONG LEARNING

"SEC. 132. Lifelong learning includes, but is not limited to, adult basic education, continuing education, independent study, agricultural education, business education and labor education, occupational education and job training programs, parent education, postsecondary education, preretirement and education for older and retired people, remedial education, special educational programs for groups or for individuals with special needs, and also educational activities designed to upgrade occupational and professional skills, to assist business, public agencies, and other organizations in the use of innovation and research results, and to serve family needs and personal development.

"LIFELONG LEARNING ACTIVITIES

"SEC. 133. (a) The Assistant Secretary shall carry out, from funds appropriated pursuant to section 101(b), a program of planning, assessing, and coordinating projects related to lifelong learning. In carrying out the provisions of this section, the Assistant Secretary shall—

"(1) foster improved coordination of Federal support for lifelong learning programs;

"(2) act as a clearinghouse for information regarding lifelong learning, including the identification, collection, and dissemination to educators and the public of existing and new information regarding lifelong learning programs which are or may be carried out and supported by any department or agency of the Federal Government;

"(3) review present and proposed methods of financing and administering lifelong learning, to determine—

"(A) the extent to which each promotes lifelong learning,

"(B) program and administrative features of each that contribute to serving lifelong learning,

"(C) the need for additional Federal support for lifelong learning, and

"(D) procedures by which Federal assistance to lifelong learning may be better applied and coordinated to achieve the purposes of this title;

"(4) review the lifelong learning opportunities provided through employers, unions, the media, libraries and museums, secondary schools and postsecondary educational institutions, and other public and private organizations to determine means by which the enhancement of their effectiveness and coordination may be facilitated;

"(5) review existing major foreign lifelong learning programs and related programs in order to determine the applicability of such programs in this country;

"(6) identify existing barriers to lifelong learning and evaluate programs designed to eliminate such barriers; and

"(7) to the extent practicable, seek the advice and assistance of the agencies of the Education Division (including the Office of Education, the National Institute of Education, the Fund for the Improvement of Postsecondary Education, and the National Center for Education Statistics), other agencies of the Federal Government, public advisory groups (including the National Advisory Councils on Extension and Continuing Education, Adult Education, Career Education, Community Education, and Vocational Education), Commissions (including the National Commission on Libraries and Information Sciences and the National Commission on Manpower Policy), State agencies, and such other persons or organizations as may be appropriate, in carrying out the Commissioner's responsibilities, and make maximum use of information and studies already available.

The review required by clause (3) of this subsection shall include—

"(i) a comparative assessment of domestic and foreign tax and other incentives to encourage increased commitment of business and labor;

"*(ii) a study of alternatives such as lifelong learning entitlement programs or educational vouchers designed to assist adults to undertake education or training in conjunction with, or in periods alternative to employment;*

"*(iii) review of possible modifications to existing Federal and State student assistance programs necessary to increase their relevance to the lifelong learning needs of all adults;*

"*(iv) the organization and design of funding for pre- and post-retirement training and education for the elderly; and*

"*(v) modifications to Federal and State manpower training, public employment, unemployment compensation, and similar funding programs so as to better facilitate lifelong education and training and retraining, for employment.*

"*(b) After consultation with appropriate State agencies, the Assistant Secretary is authorized—*

"*(1) to assist in the planning and assessment, to determine whether in each State there is an equitable distribution of lifelong learning services to all segments of the adult population;*

"*(2) to assist in assessing the appropriate roles for the Federal, State, and local governments, educational institutions and community organizations; and*

"*(3) to assist in considering alternative methods of financing and delivering lifelong learning opportunities, including—*

"*(A) identification of State agencies, institutions, and groups that plan and provide programs of lifelong learning,*

"*(B) determination of the extent to which programs are available geographically,*

"*(C) a description of demographic characteristics of the population served,*

"*(D) analysis of reasons for attendance in programs of lifelong learning, and*

"*(E) analysis of sources of funds for the conduct of lifelong learning programs, and the financial support of persons attending programs of lifelong learning.*

"*(c) The Assistant Secretary is authorized, with respect to lifelong learning, to assess, evaluate the need for, demonstrate, and develop alternative methods to improve—*

"*(1) research and development activities;*

"*(2) training and retraining people to become educators of adults;*

"*(3) development of curricula and delivery systems appropriate to the needs of any such programs;*

"*(4) development of techniques and systems for guidance and counseling of adults and for training and retraining of counselors;*

"*(5) development and dissemination of instructional materials appropriate to adults;*

"*(6) assessment of the educational needs and goals of older and retired persons and their unique contributions to lifelong learning programs;*

"*(7) use of employer and union tuition assistance and other educational programs, educational and cultural trust funds and other similar educational benefits resulting from collective bar-*

gaining agreements, and other private funds for the support of lifelong learning;

"(8) integration of public and private educational funds which encourage participation in lifelong learning, including support of guidance and counseling of workers in order that they can make best use of funds available to them for lifelong learning opportunities; and

"(9) coordination within communities among educators, employers, labor organizations, and other appropriate individuals and entities to assure that lifelong learning opportunities are designed to meet projected career and occupational needs of the community, after consideration of the availability of guidance and counseling, the availability of information regarding occupational and career opportunities, and the availability of appropriate educational and other resources to meet the career and occupational needs of the community.

"(d) In carrying out the provisions of this section the Assistant Secretary is authorized to enter into agreements with, and to make grants to, appropriate State agencies, institutions of higher education, and public and private nonprofit organizations.

"(e) In carrying out the provisions of this section, the Assistant Secretary shall issue reports summarizing research and analysis conducted pursuant to this section, and shall develop the resources and capability to analyze and make recommendations regarding specific legislative or administrative proposals which may be considered by the President or by the Congress.

"REPORTS

SEC. 134. The Assistant Secretary shall transmit to the President and to the Congress a report on such results from the activities conducted pursuant to this part as may be completed by January 1, 1978, together with such legislative recommendations as he may deem appropriate. The Assistant Secretary shall similarly report annually thereafter.".

PART B—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

EXTENSION OF AUTHORIZATION

SEC. 106. The first sentence of section 201(b) of the Act is amended by striking out all that follows "authorized to be appropriated" and inserting in lieu thereof "$110,000,000 for fiscal 1977, $115,000,000 for fiscal year 1978, and $120,000,000 for fiscal year 1979.".

REVISION OF RESEARCH LIBRARY RESOURCES

SEC. 107. Part C of title II of the Act is amended to read as follows:

"PART C—STRENGTHENING RESEARCH LIBRARY RESOURCES

"FINDINGS AND PURPOSE

"SEC. 231. (a) The Congress finds that—

"(1) education, scholarship, and research are significant to the scientific, economic, and cultural development of the Nation,

and that steady advances in the social and natural sciences are essential to solve the problems of a complex society;

"(2) the Nation's major research libraries are often an essential element in undergraduate education, and are essential to advanced and professional education and research; and

"(3) the expansion in the scope of educational and research programs and the rapid increase in the worldwide production of recorded knowledge have placed unprecedented demands upon major research libraries, requiring programs and services that strain the capabilities of cooperative action and are beyond the financial competence of individual or collective library budgets.

"(b) It is the purpose of this part to promote research and education of higher quality throughout the United States by providing financial assistance to major research libraries.

"APPROPRIATIONS AUTHORIZED

"Sec. 232. There are authorized to be appropriated $10,000,000 for the fiscal year 1977, $15,000,000 for fiscal year 1978, and $20,000,000 for fiscal year 1979.

"ELIGIBILITY FOR ASSISTANCE

"Sec. 233. For the purposes of this part, the term 'major research library' means a public or private nonprofit institution, including the library resources of an institution of higher education, an independent research library, or a State or other public library, having library collections which are available to qualified users and which—

"(1) make a significant contribution to higher education and research;

"(2) are broadly based and are recognized as having national or international significance for scholarly research;

"(3) are of a unique nature, and contain material not widely available; and

"(4) are in substantial demand by researchers and scholars not connected with that institution.

"(b) No institution receiving a grant under this part for any fiscal year may be eligible to receive a basic grant under section 202 of this title for that year.

"EQUITABLE DISTRIBUTION OF ASSISTANCE

"Sec. 234. The Commissioner shall establish criteria designed to achieve regional balance in the allocation of funds under this part which is reasonable in right of the requirements of section 233.

"LIMITATIONS

"Sec. 235. (a) No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity.

"(b) Not more than 150 institutions may receive a grant under this part.

"CONSULTATION WITH STATE AGENCY

"SEC. 236. Each institution receiving a grant under this part shall periodically inform the State library administrative agency and the State agency, if any, concerned with the educational activities of all institutions of higher education in the State in which such institution is located, of its activities under this part.".

PART C—STRENGTHENING DEVELOPING INSTITUTIONS

EXTENSION OF AUTHORIZATION

SEC. 111. Section 301(b) of the Higher Education Act of 1965 is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

REMOVAL OF RESTRICTIONS ON WAIVERS

SEC. 112. Section 302(a)(2) of the Act is amended by striking out ", except that such grants may not involve an expenditure of funds in excess of 14 per centum of the sums appropriated pursuant to this title for any fiscal year".

PART D—STUDENT ASSISTANCE

BASIC EDUCATIONAL OPPORTUNITY GRANTS

SEC. 121. (a) Section 411(a)(1) of the Act is amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1979".

(b)(1) Section 411(a)(2)(A)(i) of the Act is amended by striking out "$1,400" and inserting in lieu thereof "$1,800".

(2) The amendment made by paragraph (1) of this subsection shall be effective for academic year 1978–1979 and thereafter.

(c) Divisions (i) and (ii) of section 411(a)(3)(A) of the Act are amended to read as follows:

"(3)(A)(i) Not later than July 1 of each calendar year, the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the academic year which begins after July 1 of the calendar year which succeeds such calendar year for various levels of family income, which, except as is otherwise provided in division (ii), together with any amendments thereto, shall become effective July 1 of the calendar year which succeeds such calendar year. During the thirty-day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule.

"(ii) The schedule of expected family contributions required by division (i) for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than the time of its publication in the Federal Register. If either the Senate or the House of Representatives adopts, prior to the first day of October next following the submission of said schedule as required by this division, a resolution of disapproval of such schedule, the Com-

missioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in either House in connection with such resolution and shall become effective, together with any amendments thereto, with respect to grants to be made on or after the first day of July next following. The Commissioner shall publish together with such new schedule, a statement identifying the recommendations made in either House in connection with such resolution of disapproval and explaining his reasons for the new schedule.".

(d) Section 411(a)(3)(B) of the Act is amended—

(1) by inserting at the end of division (ii) the following new subdivision:

"(VI) Any educational expenses of other dependent children in the family.".

(2) by inserting immediately after "student)" in division (iii) the following: ", and including any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code,"; and

(3) by striking out division (iv).

(e) Section 411(b) of the Act is amended by striking division (ii) of paragraph (3)(B) and redesignating subsequent divisions accordingly, and by redesignating paragraph (4) and any reference thereto as paragraph (5) and inserting after paragraph (3) a new paragraph as follows:

"(4)(A) If the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by 15 per centum or less, then all of excess funds shall remain available for making payments under this subpart during the next succeeding fiscal year.

"(B) If the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by more than 15 per centum, then all of such funds shall remain available for making such payments but payments may be made under this division only with respect to entitlements for that fiscal year.".

(f) Section 411 (b)(3)(C) of the Act is repealed.

(g) Section 411(b)(5) of the Act (as redesignated by subsection (e)) is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

(h) Section 411 of the Act is amended by adding at the end thereof the following new subsection:

"(d) (1) In addition to payments made with respect to entitlements under this subpart, each institution of higher education shall be eligible to receive from the Commissioner the payment of $10 per academic year for each student enrolled in that institution who is receiving a basic grant under this subpart for that year. Payment received by an institution under this subsection shall be used first to carry out the provisions of section 493A of this Act and then for such additional administrative costs as the institution of higher education determines necessary.

"*(2) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection. If the sums appropriated for any fiscal year for making payments under this subsection are not sufficient to pay in full the amounts provided for in paragraph (1), then such amount will be ratably reduced. In case additional funds become available for making payments for any fiscal year during which the preceding sentence has been applied, such reduced amounts shall be increased on the same basis as they were reduced.*"

(i) Section 411 of the Act is further amended by adding at the end thereof the following additional subsection:

"*(e)(1) The Commissioner shall enter into agreements with not less than two nor more than five States for the processing by such States of all applications of their residents (through an instrumentality or agent selected by such State) for grants made under this subpart for the academic year beginning after July 1, 1977, on condition that any State grants which are subsidized in part by Federal funds, during the period for which State processing of basic education opportunity grant applications is carried out by the State, will be available to eligible State residents for use at the majority of educational institutions outside that State which are eligible institutions under subpart 1 of this part. No later than ninety days after termination of the agreements, the Commissioner shall report to the Congress on the experience with multiple State processing, including its impact on the delivery of student aid to students, and including recommendations concerning whether the option of processing applications for grants under this subpart should be made available to all States having the capacity to do so.*

"*(2) Any State entering into an agreement with the Commissioner shall—*

"*(A) not be required, without the State's consent, to perform services in excess of those required of any private agency or organization with whom the Commissioner has a contract to perform similar application processing, except such additional services as may be necessary to produce processing services of a type and quality equivalent to those produced, through the same or other means; and*

"*(B) be required to determine student eligibility for awards under this subpart solely on the basis of criteria set forth in this subpart and regulations promulgated by the Commissioner pursuant thereto.*

"*(3) The Commissioner shall promulgate such regulations as may be necessary—*

"*(A) to determine a fair per unit fee for application processing which, if the Commissioner has a contract with an agency or organization to perform similar application processing, shall be no more than the amount paid by the Commissioner per application for the same academic year to any such agency or organization; and*

"*(B) to otherwise carry out the purposes of this subsection.*

"*(4) Nothing contained in this section or other enactments of law shall be construed to prohibit any eligible State under subsection* (c) *of this section from—*

"(A) employing student application forms that solicit information required for both the determination of eligibility under this subpart and for the determination of eligibility under the postsecondary educational grant programs of such State; and

"(B) coordinating the eligibility announcements of State postsecondary educational grants and grants under this subpart.

"(5) No State which enters into an agreement with the Commissioner may impose any fee or other charge upon a student for processing of the student's application for a grant under this subpart.".

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

SEC. 122. (a) Section 413A(b)(1) of the Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

(b) Section 413C(b)(4) of the Act is amended by striking out "464" and inserting in lieu thereof "494".

STATE STUDENT INCENTIVE GRANTS

SEC. 123. (a) Section 415A(b) of the Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979", and by adding at the end thereof the following new paragraph:

"(3) Sums appropriated pursuant to paragraphs (1) and (2) for any fiscal year shall remain available for payments to States for the award of student grants under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.".

(b) Section 415C(b) of the Act is amended by redesignating clauses (4) and (5) of such section, and all references thereto, as clauses (5) and (6), respectively, and by inserting after clause (3) thereof the following new clause:

> *"(4) provides that, effective with respect to any academic year beginning on or after July 1, 1977, all nonprofit institutions of higher education in the State are eligible to participate in the State program;".*

(c)(1) Section 415A(b)(2) of the Act is amended by inserting before the period a comma and the following: "and to make bonus allotments to States pursuant to section 415E".

(2) Section 415B(b) is amended by striking out the word "Sums" and inserting in lieu thereof the following: "Subject to the provisions of section 415E, sums".

(3) Subpart 3 of part A of title IV of the Act is amended by inserting at the end thereof the following new section:

"BONUS ALLOTMENTS FOR STATE STUDENT INCENTIVE GRANT PROGRAMS

"SEC. 415E. Whenever the sum appropriated pursuant to this subpart for any fiscal year is in excess of $75,000,000 the Commissioner shall allot, from 33⅓ per centum of such excess sums, to each State having an agreement under section 428(b) an amount which bears the same ratio to such sum as the number of students in attendance at institutions of higher education in such State bears to the total number of students in such attendance in all such States.".

SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

Sec. 124. (a) Section 417A(b) of the Act is amended by inserting before the period a comma and the following: "and $200,000,000 for each of the fiscal years ending prior to October 1, 1979".

(b)(1) Section 417B(a) of the Act is amended by striking out "section 417A(a)" and inserting in lieu thereof "subsection (b) of this section".

(2) The matter preceding paragraph (1) of section 417B(b) of the Act is amended to read as follows:

"(b) Services provided through grants and contracts under this subpart shall be specifically designed to assist in enabling youths from low-income families who have academic potential, but who may lack adequate secondary school preparation, who may be physically handicapped, or who may be disadvantaged because of severe rural isolation, to enter, continue, or resume programs of postsecondary education, including—".

(3) Section 417B(b)(1)(A) of the Act is amended by inserting after the comma the following: "especially such youths who have delayed pursuing postsecondary educational training,".

(4) The first sentence of section 417B(b) of the Act is amended by—

(A) striking out "and" at the end of clause (3) of such sentence,

(B) striking out the period at the end of clause (4) of such sentence and inserting in lieu thereof a semicolon and the word "and", and

(C) adding at the end thereof the following new clause:

"(5) a program of paying up to 90 per centum of the cost of establishing and operating or expanding service learning centers at institutions of higher education and other postsecondary educational institutions serving a substantial number of disadvantaged students which—

"(A) will provide remedial and other special services for students who are enrolled or accepted for enrollment at that institution, and

"(B) will serve, as a concentrated effort, to coordinate and supplement the ability of that institution to furnish such services to such students.".

(5) Section 417B(b) of the Act is amended by adding at the end thereof the following new sentence: "Before making a grant or entering into a contract under clause (5) of the first sentence of this subsection the Commissioner may require any institution subject to such a contract or grant to submit an application containing or accompanied by such information, including the ability of that institution to pay the non-Federal share of the costs of the project to be assisted, as is essential to carry out the requirements of that clause.".

(c) Section 417B of the Act is amended by adding at the end thereof the following new subsections:

"(e) In making grants or entering into contracts under clause (1) or (5) of subsection (b) of this section the Commissioner may permit students or youths from other than low-income families, not to exceed one-third of the total served, to benefit by the projects to be assisted pursuant to that grant or contract.

"(f)(1) The Commissioner is authorized to enter into contracts with institutions of higher education and other appropriate public agencies and nonprofit private organizations to provide training for staff and leadership personnel who will specialize in improving the delivery of services to students assisted under this subpart.

"(2) Financial assistance under this subsection may be used for (A) the operation of short-term training institutes designed to improve the skills of participants in such institutes, and (B) the development of inservice training programs for such personnel."

"(g) The Commissioner shall not make grants to programs authorized under clause (5) of subsection (b) of this section in any fiscal year in which the amount appropriated for carrying out this subpart is less than $70,331,000.".

"(h) It is the intention of the Congress to encourage, whenever feasible, the development of individualized programs for disadvantaged students assisted under this subpart.".

EDUCATIONAL INFORMATION PROGRAM

SEC. 125. Part A of title IV of the Act is amended by redesignating subpart 5, and all references thereto, as subpart 6, and by inserting immediately after subpart 4 the following new subpart:

"Subpart 5—Educational Information

"PROGRAM AUTHORIZATION

"SEC. 418A. (a) The Commissioner shall, in accordance with the provisions of this subpart, make grants to States to pay the Federal share of the cost of planning, establishing, and operating Educational Information Centers to provide educational information, guidance, counseling, and referral services for all individuals, including individuals residing in rural areas.

"(b)(1) For the purpose of enabling the Commissioner to carry out this subpart, there are authorized to be appropriated $20,000,000 for fiscal year 1977, $30,000,000 for fiscal year 1978, and $40,000,000 for fiscal year 1979.

"(2) The Commissioner shall allocate funds appropriated in each year under this subpart to each State submitting a plan approved under section 418B an amount which bears the same ratio to such funds as the population of such State bears to the population of all the States, except that for each fiscal year no State which submitted an approved plan shall receive from such funds less than $50,000 for that year. In making allocations under this paragraph, the Commissioner shall use the latest available actual data, including dat on previous participation, which is satisfactory to him.

"(c) The Federal share of the cost of planning, establishing, and operating Educational Information Centers for any fiscal year under this subpart shall be 66⅔ per centum, and the non-Federal share may be in cash or in kind.

"(d) For the purposes of this subpart, the term 'Educational Information Center' means an institution or agency, or combination of institutions or agencies, organized to provide services to a population

in a geographical area no greater than that which will afford all persons within the area reasonable access to the services of the Center. Such services shall include—

"(1) information and talent search services designed to seek out and encourage participation in full-time and part-time postsecondary education or training of persons who could benefit from such education or training if it were not for cultural or financial barriers, physical handicap, deficiencies in secondary education, or lack of information about available programs or financial assistance;

"(2) information and referral services to persons within the area served by the Center, including such services with regard to—

"(A) postsecondary education and training programs in the region and procedures and requirements for applying and gaining acceptance to such programs;

"(B) available Federal, State, and other financial assistance, including information on procedures to be followed in applying for such assistance;

"(C) available assistance for job placement or gaining admission to postsecondary education institutions including, but not limited to, such institutions offering professional, occupational, technical, vocational, work-study, cooperative education, or other education programs designed to prepare persons for careers, or for retraining, continuing education, or upgrading of skills;

"(D) competency-based learning opportunities, including opportunities for testing of existing competencies for the purpose of certification, awarding of credit, or advance placement in postsecondary education programs;

"(E) guidance and counseling services designed to assist persons from the area served by the Center to identify postsecondary education or training opportunities, including part-time opportunities for individuals who are employed, appropriate to their needs and in relationship to each individual's career plans; and

"(F) remedial or tutorial services designed to prepare persons for postsecondary education opportunities or training programs, including such services provided to persons enrolled in postsecondary education institutions within the area served by the Center.

Services may be provided by a Center either directly or by way of contract or other agreement with agencies and institutions within the area to be served by the Center.

"(c) Nothing in this subpart shall be construed to affect funds allocated to the establishment and operation of Educational Opportunity Centers for the disadvantaged pursuant to section 417B(b)(4) of this part.

"ADMINISTRATION OF STATE PROGRAMS

"Sec. 418B. (a) Each State receiving a grant under this part is authorized in accordance with its State plan submitted pursuant to subsection (b) of this section, to make grants to, and contracts with, institutions of higher education, including institutions with vocational and career education programs, and combinations of such institutions,

public and private agencies and organizations, and local education agencies in combination with any institution of higher education, for planning, establishing, and operating Educational Information Centers within the State.

"(b) Any State desiring to receive a grant under this subpart shall submit for the approval of the Commissioner a State plan, which shall include—

"(1) a comprehensive strategy for establishment or expansion of Educational Information Centers, designed to achieve the goal, within a reasonable period of time, of making available within reasonable distance to all residents of the State the services of an Educational Information Center;

"(2) assurances concerning the source and availability of State, local, and private funds to meet the non-Federal share of the cost of the State plan required by section 418A(c); and

"(3) such other provisions as are essential to carry out the provisions of this subpart.".

VETERANS' COST-OF-INSTRUCTION PAYMENTS

SEC. 126. (a)(1) Section 420(a)(1) of the Act is amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1979".

(2) Section 420(a) of the Act is amended by adding at the end thereof the following:

"(3) During the period beginning July 1, 1976, and ending September 30, 1977, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding paragraph (1), to a payment under this section, if the number of persons referred to in such paragraph (1), equals whichever is the lesser of (A) at least the number of such persons who were in attendance at such institution during the preceding academic year less the number of such persons whose eligibility for educational assistance under chapter 34 of title 38, United States Code, expired on May 31, 1976, by virtue of section 1662(c) of such title, or (B) at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year less the number of such persons whose eligibility for educational assistance under chapter 34 of title 38, United States Code, expired on May 31, 1976, by virtue of section 1662(c) of such title."

(b) Section 420(c)(1)(B)(iii) of the Act is amended by inserting "(with special emphasis on educationally disadvantaged veterans)" after "outreach", and by inserting "(with special emphasis on the veteran-student services program under section 1685 of such title 38)" after "programs".

(c) Section 420 of the Act is amended by adding at the end thereof the following new subsections:

"(f) The Commissioner, in carrying out the provisions of this section, shall seek to assure the coordination of programs assisted under this section with programs carried out by the Veterans' Administration pursuant to title 38 of the United States Code, and the Administrator of Veterans' Affairs shall provide all assistance, technical consultation, and information otherwise authorized by law as necessary to

promote the maximum effectiveness of the activities and programs assisted under this section.

"(g) The program provided for in this section shall be administered by an identifiable administrative unit in the Office of Education.".

(d) Not later than ninety days after the enactment of this Act, the Commissioner shall prepare and submit to the Congress a report containing a summary of the activities and programs (including the number and characteristics of veterans served) at institutions of higher education receiving assistance under section 420 of the Higher Education Act of 1965 (relating to veterans' cost-of-instruction payments) and a description of the steps taken (and the results thereof) to carry out his responsibility under subsection (c)(1) of that section to monitor and determine the adequacy of efforts by such institutions.

FEDERAL AND STATE INSURED LOAN PROGRAMS

SEC. 127. (a) Part B of title IV of the Act is amended to read as follows:

"PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

"SEC. 421. (a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 435), (2) to provide a Federal program of student loan insurance for students or lenders who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 428(b), (3) to pay a portion of the interest on loans to qualified students which are made by a State under a direct loan program meeting the requirements of section 428(a)(1)(B), or which are insured under this part or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(c)(1)(A), and (4) to guarantee a portion of each loan insured under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 428(a)(1)(C).

"(b) For the purpose of carrying out this part—

"(1) there are authorized to be appropriated to the student loan insurance fund (established by section 431) (A) the sum of $1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

"(2) there are authorized to be appropriated, for payments under section 428 with respect to interest on student loans and for payments under section 437, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor,

"(3) there is authorized to be appropriated the sum of $17,500,000 for making advances pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs,

"(4) there are authorized to be appropriated (A) the sum of $12,500,000 for making advances after June 30, 1968, pursuant to sections 422 (a) and (b), and (B) such sums as may be necessary for making advances pursuant to section 422(c), for the reserve funds of State and nonprofit private student loan insurance programs, and

"(5) there are authorized to be appropriated such sums as may be necessary for the purpose of paying an administrative cost allowance in accordance with section 428(f) to State and nonprofit institutions and organizations with which the Commissioner has an agreement under section 428(b).

Sums appropriated under clauses (1), (2), (4), and (5) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 422 until the close of the fiscal year ending June 30, 1968.

"(c) For purposes of carrying out this part—

"(1) the Commissioner shall develop and execute a plan designed to encourage the establishment of student loan insurance program by each State which does not have such a program covered by an agreement pursuant to section 428(b);

"(2) the Commissioner shall make a report to the Congress within 180 days after the enactment of the Education Amendments of 1976, containing a description of the plan developed according to paragraph (1) accompanied by a timetable for the execution of such plan; and

"(3) the Commissioner shall make a report to the Congress before June 30, 1977, which shall include—

"(A) a description of the activities the Commissioner and his designees have undertaken pursuant to paragraph (1),

"(B) a description of such State's plans to establish a program meeting the requirements of section 428(b), and

"(C) the Commissioner's recommendations to the Congress as to what changes in law, or policy would encourage the establishment of such a program in all States without such programs.

"ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT PRIVATE LOAN INSURANCE PROGRAMS

"Sec. 422. (a)(1) From the sums appropriated pursuant to clauses (3) and (4)(A) of section 421(b), the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 428(b) for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any fiscal year a State does not have a student loan insurance program covered by an agreement made pursuant to section 428(b), and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement

pursuant to section 428(b) in order to enable students in the State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more nonprofit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirement of section 428(b)(1).

"(2) No advance shall be made after June 30, 1968, unless matched by an equal amount from non-Federal sources. Such equal amount may include the unencumbered non-Federal portion of a reserve fund. As used in the preceding sentence, the term 'unencumbered non-Federal portion' means the amount (determined as of the time immediately preceding the making of the advance) of the reserve fund less the greater of (A) the sum of (i) advances made under this section prior to July 1, 1968, (ii) an amount equal to twice the amount of advances made under this section after June 30, 1968, and before the advance for purposes of which the determination is made, and (iii) the proceeds of earnings on advances made under this section, or (B) any amount which is required to be maintained in such fund pursuant to State law or regulation, or by agreement with lenders, as a reserve against the insurance of outstanding loans.

"(3) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 428(b) as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

"(b)(1) The total of the advances to any State prior to July 1, 1968, pursuant to subsection (a) may not exceed an amount which bears the same ratio to 2½ per centum of $700,000,000 as the population of that State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to twenty-two inclusive. The amount available, however, for advances to any State for each fiscal year ending prior to July 1, 1968, shall not be less than $25,000, and any additional funds needed to meet this requirement shall be derived by proportionately reducing (but not below $25,000 per year) the amount available for advances to each of the remaining States. Advances to nonprofit private institutions and organizations prior to July 1, 1968, pursuant to subsection (a) may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to that State pursuant to the first two sentences of this subsection.

"(2) The total of the advances from the sums appropriated pursuant to clause (4)(A) of section 421(b) to nonprofit private institutions and organizations for the benefit of students in any State and (B) to such State may not exceed an amount which bears the same ratio to

such sums as the population of such State aged eighteen to twenty-two, inclusive, bears to the population of all the States aged eighteen to twenty-two, inclusive, but such advances may otherwise be in such amounts as the Commissioner determines will best achieve the purposes for which they are made. The amount available, however, for advances to any State shall not be less than $25,000, and any additional funds needed to meet this requirement shall be derived by proportionately reducing (but not below $25,000) the amount available for advances to each of the remaining States.

"*(3) For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.*

"*(c)(1) From sums appropriated pursuant to section 421(b)(4)(B), the Commissioner shall advance to each State which has an agreement with the Commissioner under section 428(c) with respect to a student loan insurance program, an amount determined in accordance with paragraph (2) of this subsection to be used for the purpose of making payments under the State's insurance obligations under such program.*

"*(2)(A) Except as provided in subparagraph (B), the amount to be advanced to each such State shall be equal to the greater of (i) $50,000, or (ii) 10 per centum of the principal amount insured by such agency on those loans on which the first payment of principal became due during the fiscal year immediately preceding the fiscal year in which the advance is made.*

"*(B) The amount of any advance determined according to subparagraph (A) of this paragraph shall be reduced by (i) the amount of any advance or advances made to such State pursuant to this subsection at an earlier date, and (ii) the amount of the unspent balance of the advances made to a State pursuant to subsection (a).*

"*(C) For purposes of subparagraph (B) the unspent balance of the advances made to a State pursuant to subsection (a) shall be that portion of the balance of the State's reserve fund (remaining at the time of the State's first request for an advance pursuant to this subsection) which bears the same ratio to such balance as the Federal advances made and not returned by such State, pursuant to subsection (a), bears to the total of all past contributions to such reserve fund from all sources (other than interest on investment of any portion of the reserve fund) contributed since the date such State executed an agreement pursuant to section 428(b).*

"*(3) The earnings, if any, on any investments of advances received pursuant to this subsection must be used for making payments under the State's insurance obligations.*

"*(4)(A) No repayment of any advances made pursuant to this subsection shall be required until such time as the sum of the advances under this subsection exceeds 20 per centum of the State's outstanding insurance obligation determined in accordance with subparagraph (B) of this paragraph.*

"*(B) For purposes of this paragraph, a State's outstanding insurance obligation shall be determined by subtracting from the total principal amount of loans insured by the State since it entered into an agreement pursuant to section 428(b), the total principal amount of* *loans insured by such State which have been fully repaid by the borrower, the State itself, or the Commissioner, and loans which have been canceled.*

"(C) At such time as advances pursuant to this subsection reach the level indicated in subparagraph (A) of this paragraph, the amount of any excess shall be paid over to the Commissioner in a lump sum at the beginning of each fiscal year for deposit in the fund established by section 431.

"(5) Advances pursuant to this subsection shall be made to a State—

"(A) in the case of a State which is actively carrying on a program under an agreement pursuant to section 428(b) which was entered into before the effective date of this subsection, upon such date as such State may request, but not before October 1, 1977, and on the same day of each of the two succeeding calendar years after the date so requested; and

"(B) in the case of a State which enters into an agreement pursuant to section 428(b) on or after the effective date of this subsection, upon such date as such State may request, but not before October 1, 1977, and on the same day of each of the four succeeding calendar years after the date so requested of the advance.

"(6)(A) If for any fiscal year a State does not have a student loan insurance program covered by an agreement made pursuant to section 428(b), and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances pursuant to this subsection for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to subsection (c), as well as subsection (b), of section 428 and subparagraph (B) of this paragraph in order to enable students in that State to participate in a program of student loan insurance covered by such agreements.

"(B) The Commissioner may enter into an agreement with a private nonprofit institution or organization for purposes of this paragraph under which such institution or organization—

"(i) agrees to establish within such State at least one office with sufficient staff to handle written and telephone inquiries from students, eligible lenders, and other persons in the State, to encourage maximum commercial lender participation within the State, and to conduct periodic visits to at least the major eligible lenders within the State,

"(ii) agrees that its insurance will not be denied any student because of his choice of eligible institutions or the student's lack of need, and

"(iii) certifies that it is neither an institution, nor has any substantial affiliation with an institution.

"EFFECTS OF ADEQUATE NON-FEDERAL PROGRAMS

"SEC. 423. (a) Except as provided in subsections (b) and (c), the Commissioner shall not issue certificates of insurance under section 429 to lenders in a State if he determines that every eligible institution

has reasonable access in that State to a State or private nonprofit student loan insurance program which is covered by an agreement under section 428(b).

"*(b) The Commissioner may issue certificates of insurance under section 429 to a lender in a State—*

"*(1) for insurance of a loan made to a student borrower who does not, by reason of his residence, have access to loan insurance under the loan insurance program of such State (or under any private nonprofit loan insurance program which has received an advance under section 422 for the benefit of students in such State), or*

"*(2) for insurance of all of the loans made to student borrowers by a lender who satisfies the Commissioner that, by reason of the residence of such borrowers, such lender will not have access to any single State or nonprofit private loan insurance program which will insure substantially all of the loans such lender intends to make to such student borrowers.*

"*(c) The Commissioner shall not deny, because of any provision of this section, a certificate of insurance under section 429 to any eligible lender which is an eligible institution if such lender has previously executed an agreement with the Commissioner pursuant to section 433 of this part, unless the Commissioner determines, based upon studies and surveys satisfactory to him, that access to a loan by all eligible students who make an active and diligent effort to obtain a loan under this part will be otherwise available. In order to carry out the provisions of the preceding sentence the Commissioner shall periodically assess the availability of loans to eligible students through studies and surveys undertaken by him and through review of properly conducted studies and surveys made available to him.*

"*SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM*

"*SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by Federal loan insurance under this part shall not exceed $1,400,000,000 for the fiscal year ending June 30, 1972, $1,600,000,000 for the fiscal year ending June 30, 1973, $1,800,000,000 for the fiscal year ending June 30, 1974, $2,000,000,000 for each of the fiscal years ending June 30, 1975, and 1976, and $2,000,000,000 for the period from July 1, 1976, to September 30, 1976, and for each of the succeeding fiscal years ending piror to October 1, 9181. Thereafter, Federal loan insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after September 30, 1985.*

"*(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.*

"LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND ON FEDERAL LOAN INSURANCE

"Sec. 425. (a)(1) The total of loans made to a student in any academic year or its equivalent (as determined by the Commissioner) which may be covered by Federal loan insurance under this part may not exceed $2,500 in the case of a student who has not successfully completed a program of undergraduate education, or $5,000 in the case of a graduate or professional student (as defined in regulations of the Commissioner), except—

"(A) that in the case of a loan to a student who is or will be in his first year of a program of undergraduate education, and who has not previously enrolled in such a program which is made by an eligible lender as described in section 435(g)(1)(D) or which is made or originated (as defined in section 433(b)) by an eligible institution, the loan may not exceed the lesser of $2,500 or 50 per centum of the estimated cost of attendance (calculated in accordance with the provisions of section 428(a)(2)(C)(i)),

"(B) that in the case of a loan made or originated (defined in section 433(b) by an eligible institution which is made to a student for his first academic year of postsecondary education, the loan may exceed $1,500 only if it is to be disbursed in two or more installments none of which exceeds one-half of the loan, with the interval between the first and second of such installments being not less than one-third of the period of enrollment for which the student received the loan, and

"(C) in cases where the Commissioner determines, pursuant to regulations prescribed by him, that a higher amount is warranted in order to carry out the purposes of this part with respect to students engaged in specialized training requiring exceptionally high cost of education.

The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

"(2) The aggregate insured unpaid principal amount for all such insured loans made to any student shall not at any time exceed $7,500, in the case of any student who has not successfully completed a program of undergraduate education, and $15,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part, or by a State or nonprofit institution or organization with which the Commissioner has an agreement under section 428(b), made to such person before he became a graduate or professional student).

"(b)(1)(A) Except as provided in subparagraph (B), the insurance liability on any loan insured by the Commissioner under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan plus interest, except that—

"(i) if, for any fiscal year, the total amount of payments under section 430 by the Commissioner to any eligible lender as described in section 435(g)(1)(D) exceeds 5 per centum of the sum of the loans made by such lender which are insured by the Com-

missioner and which were in repayment at the end of the preceding fiscal year, the insurance liability under this subsection for that portion of such excess which represents loans insured after the applicable date with respect to such loans, as determined under subparagraph (C), shall be equal to 90 per centum of the amount of such portion;

"(ii) if, for any fiscal year, the total amount of such payments to such a lender exceeds 9 per centum of such sum, the insurance liability under this subsection for that portion of such excess which represents loans insured after the applicable date with respect to such loans, as determined under subparagraph (c), shall be equal to 80 per centum of the amount of such portion.

"(B) Notwithstanding subparagraph (A), the provisions of clauses (i) and (ii) shall not apply to any eligible lender as described in section 435(g)(1)(D) for the fiscal year in which such lender begins to carry on a loan program insured by the Commissioner, or for any of the four succeeding fiscal years.

"(C) The applicable date with respect to a loan made by an eligible lender as described in section 435(g)(1)(D) shall be—

"(i) the 90th day after the adjournment of the next regular session of the appropriate State legislature which convenes after the date of enactment of the Education Amendments of 1976, or

"(ii) if the primary source of lending capital for such lender is derived from the sale of bonds, and the constitution of the appropriate State prohibits a pledge of such State's credit as security against such bonds, the day which is one year after such 90th day.

"(2) For the purposes of this subsection, the sum of the loans made by a lender which are insured by the Commissioner and which are in repayment shall be the original principal amount of loans made by such lender which are insured by the Commissioner reduced by (A) the amount the Commissioner has been required to pay to discharge his insurance obligations under this part, (B) the original principal amount of loans insured by the Commissioner which have been fully repaid, (C) the original principal amount insured on those loans for which payment of first installment of principal has not become due pursuant to section 427(a)(2)(B) or such first installment need not be paid pursuant to section 427(a)(2) (C), and (D) the original principal amount of loans repaid by the Commissioner under section 437.

"(3) For the purposes of this subsection, payments by the Commissioner under section 430 to an assignee of the lender with respect to a loan shall be deemed payments made to such lender.

"(4) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under the provisions of section 430 or 437 of this part."

"SOURCES OF FUNDS

"SEC. 426. Loans made by eligible lenders in accordance with this part shall be insurable by the Commissioner whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

"ELGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED STUDENT LOANS

"Sec. 427. (a) A loan by an eligible lender shall be insurable by the Commissioner under the provisions of this part only if—

"(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, (B) is carrying at least one-half of the normal fulltime workload as determined by the institution, and (C) has agreed to notify promptly the holder of the loan concerning any change of address; and

"(2) evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

"(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid or unless the student, during the nine- to twelve-month period preceding the start of the repayment period, specifically requests that repayment to made over a shorter period) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except—

"(i) as provided in clause (C) below,

"(ii) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it,

(iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made, and

"(iv) that the lender and the student, after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, may agree to a repayment schedule which begins earlier, or is of shorter duration, than required by this subparagraph, except that in the event a student has requested and obtained a repayment period of less than five years, he may at any time prior to the total repayment of the loan, have the repayment period extended so that the total repayment period is not less than five years,

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any

period (i) during which the borrower is pursuing a full-time course of study at an 'eligible institution', or is pursuing a course of study pursuant to a graduate fellowship program approved by the Commissioner, (ii) is not in excess of three years during which the borrower is a member of the Armed Forces of the United States, (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, (iv) not in excess of three years during which the borrower is in service as a full-time volunteer under the Domestic Volunteer Service Act of 1973, or (v) during a single period, not in excess of twelve months, at the request of the borrower, during which the borrower is seeking and unable to find full-time employment, and any such period shall not be included in determining the ten-year period or the fifteen-year period provided in clause (B) above,

"*(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal,*

"*(E) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part, and that the lender will enter into such agreements with the Commissioner as may be necessary for the purposes of section 437,*

"*(F) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan,*

"*(G) provides that, in the case of each loan insured by the program, the eligible institution attended by the borrower at the time of the loan will be notified of such insurance and the name of the lender making the loan, and such notification will be made either by (i) the prompt transmittal of such information to the institution by the insurer or the lender, or (ii) a requirement of the insurer, as a condition of its insurance, that the lender shall transmit any checks for the proceeds of such loan directly to the eligible institution for delivery to the borrower;*

"*(H) the funds borrowed by a student are disbursed by check payable to the order and requiring the endorsement of such student, and*

"*(I) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay the lender,* *in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.*

"*(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2)(D) of subsection (a) may exceed 7 per centum per annum on the unpaid principal balance of the loan.*

"*(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this part shall not unless the borrower and the lender otherwise agree, be less than $360 or the balance of all of such loans (together with interest thereon), whichever amount is less, except that in the case of a husband and wife, both of whom have such loans outstanding, the total of the combined payments for such a couple during any year shall not be less than $360 or the balance of all such loans, whichever is less.*

"*FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS*

"*SEC. 428. (a)(1) Each student who has received a loan for study at an eligible institution—*

"*(A) which is insured by the Commissioner under this part;*

"*(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (5); or*

"*(C) which is insured under a program of a State or of a nonprofit private institution or organization which was contracted for, and paid to the student, within the period specified in paragraph (5), and which—*

"*(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b)(1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b)(1)) at an eligible institution, or*

"*(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),*

shall be entitled to have paid on his behalf and for his account to the holder of the loan a portion of the interest on such loan under circumstances described in paragraph (2).

"*(2)(A) Each student qualifying for a portion of an interest payment under paragraph (1) shall—*

"*(i) have provided to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which he is in attendance in good standing (as determined by such institution), which—*

"*(I) sets forth such student's estimated costs of attendance and*

"*(II) sets forth such student's estimated financial assistance; and* *"(ii) meet the requirements of subparagraph (B).*

"(B) For the purposes of clause (ii) of subparagraph (A), a student shall qualify for a portion of an interest payment under paragraph (1) if such student's adjusted family income at the time of execution of the note or written agreement evidencing such loan—

"(i) is less than $25,000; or

"(ii) is equal to or greater than $25,000 and the eligible institution has provided the lender with a statement evidencing a determination of need and recommending a loan in the amount of such need.

"(C) For the purposes of paragraph (1) and this paragraph—

"(i) a student's estimated cost of attendance means, for the period for which the loan is sought, the tuition and fees applicable to such student together with the institution's estimate of other expenses reasonably related to attendance at such institution, including, but not limited to, the cost of room and board, reasonable commuting costs, and costs for books;

"(ii) a student's estimated financial assistance means, for the period for which the loan is sought, the amount of assistance such student will receive under parts A, C, and E of this title, plus other scholarship, grant, or loan assistance;

"(iii) the term 'eligible institution' when used with respect to a student is the eligible institution at which the student has been accepted for enrollment or, in the case of a student who is in attendance at such an institution, at which the student is in good standing (as determined by such institution);

"(iv) the determination of need and the amount of a loan recommended by an eligible institution under subparagraph (B)(ii) with respect to a student shall be determined by substracting from the estimated cost of attendance at such institution the total of the expected family contribution with respect to such student (as determined by means other than one formulated by the Commissioner under subpart 1 of part A of this title) plus any other resources or student financial assistance reasonably available to such student.

"(D) For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the need of a student under this paragraph shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

"(3)(A) Except as provided in paragraph (8), the portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) of this subsection shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (b)(1)(M) of this section or in section 427(a)

(2)(C); but, except as provided in paragraph (8) of this subsection, such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined. The Commissioner shall pay this portion of the interest to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or, if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

"(B) If (i) a State student loan insurance program is covered by an agreement under subsection (b), (ii) a statute of such State limits the interest rate on loans insured by such program to a rate which is less than 7 per centum per annum on the unpaid principal balance, and (iii) the Commissioner determines that section 428(d) does not make such statutory limitation inapplicable and that such statutory limitation threatens to impede the carrying out of the purposes of this part, then he may pay an administrative cost allowance to the holder of each loan which is insured under such program and which is made during the period beginning on the sixtieth day after the date of enactment of the Higher Education Amendments of 1968 and ending 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969. Such administrative cost allowance shall be paid over the term of the loan in an amount per annum (determined by the Commissioner) which shall not exceed 1 per centum of the unpaid principal balance of the loan.

"(4) Each holder of a loan with respect to which payments of interest are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commisioner to determine the amount of the payment which he must make with respect to that loan.

"(5) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on the date of enactment of this Act and end at the close of September 30, 1981, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of September 30, 1985.

"(6) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established under title II of the National Defense Education Act of 1958 or part E of this title.

"(7) Nothing in this or any other Act shall be construed to prohibit or require, unless otherwise specifically provided by law, a lender to

evaluate the total financial situation of a student making application for a loan under this part, or to counsel a student with respect to any such loan, or to make a decision based on such evaluation and counseling with respect to the dollar amount of any such loan.

"(8)(A) In the case of any eligible lender (other than an eligible institution or an agency or instrumentality of a State), which is approved by the Commissioner pursuant to subparagraph (B) of this paragraph for the purpose of authorizing multiple disbursements and which enters into a binding agreement with a student to make a loan—

"(i) for which the student is entitled to have a portion of the interest paid on his behalf under this section, and

"(ii) the proceeds of which loan are to be paid to the student in multiple disbursements over the period of enrollment for which the loan is made, but not to exceed twelve months,

the amount of the interest payment and the amount of any special allowance payment to be paid under section 438 shall be determined as if the entire amount to be made available for that period of enrollment had been disbursed on the date on which the first installment thereof was disbursed, and any increase in the rate of interest on the loan attributable to such multiple disbursements shall not be deemed to violate any provision of this part relating to the maximum rate of interest on such loan. The provisions of this paragraph shall apply only in the case of loans paid in multiple disbursements, in accordance with regulations of the Commissioner, based on the need of the student for the proceeds of such loan over the course of the academic year.

"(B) The Commissioner may approve an eligible lender for the purposes of this paragraph if he determines—

"(i) that such lender is making or will be making a substantial volume of loans on which an interest subsidy is payable under this section, and

"(ii) that such lender has sufficient experience and administrative capability in processing such loans to enable the lender to make such multiple disbursements in accordance with regulations issued by the Commissioner under this subparagraph.

"(9) With respect to any loan for which a portion of the interest is payable under this section, in the case of a student attending an eligible institution which is located in other than a State, the determinations to be made (except determinations of good standing) and the statement to be provided by such institution under paragraph (2)(A)(i) and (2)(B)(ii) of this subsection shall be made and provided by (A) the Commissioner in the case of a loan described by paragraph (1)(A), (B) the State in the case of a loan described by paragraph (1)(B), or (C) the State or a nonprofit private institution or organization as the case may be, in the case of a loan described by paragraph (1)(C).

"(b)(1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

"*(A) authorizes the insurance of not less than $1,000 nor more than $2,500 in the case of a student who has not successfully completed a program of undergraduate education, or $5,000 in the case of a graduate or professional student (as defined in regulations of the Commissioner), except—*

"*(i) that the program may not authorize the insurance of a loan which is made by an eligible lender as described in section 435(g)(1)(D) or which is made or originated (as defined in section 433(b)) by an eligible institution to a student who has not successfully completed a program of undergraduate education in an amount in excess of $2,500 or 50 per centum of the estimated cost of attendance (calculated in accordance with section 428(a)(2)(C)(i)),*

"*(ii) that the program may not authorize the insurance of a loan in excess of $1,500 for an academic year which is made or originated (as defined in section 433(b)) by an eligible institution, and is made to a student for his first academic year of postsecondary education, unless the loan is to be disbursed in two or more installments, none of which exceeds one-half of the loan, with the interval between the first and second of such installments being not less than one-third of the period of enrollment for which the student received the loan, and*

"*(iii) in cases where the Commissioner determines, pursuant to regulations prescribed by him, that a higher amount is warranted in order to carry out the purposes of this part with respect to students engaged in specialized training requiring exceptionally high costs of education,*

but the annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any years in excess of the annual limit;

"*(B) provides that the aggregate insured unpaid principal amount for all such insured loans made to any student shall not at any time exceed $7,500, in the case of any student who has not sucessfully completed a program of undergraduate education, and $15,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part, or by a State or nonprofit institution or organization with which the Commissioner has an agreement under section 428(b), made to such person before he became a graduate or professional student);*

"*(C) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);*

"*(D) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) except as provided in subparagraph (M) of this paragraph, the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan, may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;*

"*(E) subject to subparagraphs (D) and (L) of this paragraph and except as provided by subparagraph (M) of this paragraph, provides that repayment of loans shall be in installments over a period of not less than five years (unless the student, during the nine- to twelve-month period preceding the start of the repayment period, specifically requests that repayment be made over a shorter period) nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except—*

"*(i) that, if the program provides for the insurance of loans for part-time study at eligible institutions, the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;*

"*(ii) that the lender and the student, after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload, as determined by the institution, may agree to a repayment schedule which begins earlier, or is of shorter duration, than required by this subparagraph, except that in the event a student has requested and obtained a repayment period of less than five years, he may at any time prior to the total repayment of the loan have the repayment period extended so that the total repayment period is not less than five years;*

"*(F) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 7 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);*

"*(G) insures not less than 80 per centum of the unpaid principal of loans insured under the program;*

"*(H) does not provide for collection of an excessive insurance premium;*

"*(I) provides that the benefits of the loan insurance program will not be denied any student who is eligible for interest benefits under section 428(a) (1) and (2) except in the case of loans made by an instrumentality of a State or eligible institution;*

"*(J) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution;*

"*(K) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under supervision of a single State agency;*

"*(L) provides that the total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this part shall not be less than $360 or the balance of all such loans (together with interest thereon), whichever amount is less, unless the borrower and the lender otherwise agree, except that, in the case of a husband and wife, both of whom have such loans outstanding, the total of the combined payments for such a* *couple during any year shall not be less than $360 or the balance of all such loans, whichever is less;*

"(M) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid during any period (i) during which the borrower is pursuing a full-time course of study at an eligible institution, or is pursuing a course of study pursuant to a graduate fellowship program approved by the Commissioner, (ii) not in excess of three years during which the borrower is a member of the Armed Forces of the United States, (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, (iv) not in excess of three years during which the borrower is in service as a full-time volunteer under the Domestic Volunteer Service Act of 1973, or (v) during a single period, not in excess of twelve months, at the request of the borrower, during which the borrower is seeking and unable to find full-time employment;

"(N) provides that in the case of each loan insured by the program that the eligible institution attended by the borrower at the time of the loan will be notified of such insurance and the name of the lender making the loan, and such notification will be made either by (i) the prompt transmittal of such information to the institution by the insurer or the lender, or (ii) a requirement of the insurer, as a condition of its insurance, that the lender shall transmit any checks for the proceeds of such loan directly to the eligible institution for delivery to the borrower;

"(O) provides that funds borrowed by a student are disbursed by check payable to the order and requiring the endorsement of such student;

"(P) provides that the borrower shall, within four months after ceasing to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, contact the holder of his loan to negotiate the terms of his repayment obligations, and

"(Q) requires the borrower to promptly notify the holder of the loan concerning any change of address.

"(2) Such an agreement shall—

"(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

"(B) include such other provisions as may be necessary to protect the financial interests of the United States and promote the purposes of this part, including such provisions as may be necessary for the purpose of section 437, and as are agreed to by the Commissioner and the State or nonprofit private organization or institution, as the case may be; and

"(C) provide for making such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his function under this part, and for keeping

such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"*(o)(1)(A) The Commissioner may enter into a guaranty agreement with any State or any nonprofit private institution or organization with which he has an agreement pursuant to subsection (b), whereby the Commissioner shall undertake to reimburse it, under such terms and conditions as he may establish, with respect to losses (resulting from the default of the student borrower) on the unpaid balance of the principal and accrued interest of any insured loan with respect to which a portion of the interest is payable by the Commissioner under subsection (a), or would be payable under such subsection but for the borrower's lack of need. Except as provided in subparagraph (B) of this paragraph and in paragraph (7), the amount to be paid a State or nonprofit private institution or organization as reimbursement under this subsection shall be equal to 80 per centum of the amount expended by it in discharge of its insurance obligation incurred under its loan insurance program.*

"*(B) Any State or any nonprofit private institution or organization which has entered into a supplementary agreement under section 428A of this Act whereby the Commissioner agrees to reimburse the State or nonprofit private institution or organization, under such terms and conditions as he may establish, with respect to losses (resulting from the default of the student borrower) on the unpaid balance of the principal and accrued interest of any such insured loan in an amount equal to 100 per centum of the amount expended by it in the discharge of its insurance obligation incurred under its loan insurance program, except that—*

"*(i) if, for any fiscal year, the amount of such reimbursement payments by the Commissioner under this subsection exceeds 5 per centum of the loans which are insured by such institution or organization under such program and which were in repayment at the end of the preceding fiscal year, the amount to be paid as reimbursement under this subsection for such excess shall be equal to 90 per centum of the amount of such excess; and*

"*(ii) if, for any fiscal year, the amount of such reimbursement payments, exceeds 9 per centum of such loans, the amount to be paid as reimbursement under this subsection for such excess shall be equal to 80 per centum of the amount of such excess.*

"*(C) For purposes of this subsection, the amount of loans of a State or nonprofit private institution or organization which are in repayment shall be the original principal amount of loans insured by it reduced by (i) the amount the insurer has been required to pay to discharge its insurance obligations under this part, (ii) the original principal amount of loans insured by it which have been fully repaid, (iii) the original principal amount insured on those loans for which payment of the first installment of principal has not become due pursuant to section 428(b)(1)(E) or such first installment need not be paid pursuant to section 428(b)(1)(M), and (iv) the original principal amount of loans repaid by the Commissioner under section 437.*

"*(2) The guaranty agreement—*

"*(A) shall set forth such administrative and fiscal procedures as may be necessary to protect the United States from the risk of* *unreasonable loss thereunder, to insure proper and efficient administration of the loan insurance program, and to assure that due diligence will be exercised in the collection of loans insured under the program;*

"(*B*) *shall provide for making such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this subsection, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;*

"(*C*) *shall set forth adequate assurance that, with respect to so much of any loan insured under the loan insurance program as may be guaranteed by the Commissioner pursuant to this subsection, the undertaking of the Commissioner under the guaranty agreement is acceptable in full satisfaction of State law or regulation requiring the maintenance of a reserve;*

"(*D*) *shall provide that if, after the Commissioner has made payment under the guaranty agreement pursuant to paragraph* (*1*) *of this subsection with respect to any loan, any payments are made in discharge of the obligation incurred by the borrower with respect to such loan* (*including any payments of interest accruing on such loan after such payment by the Commissioner*), *there shall be paid over to the Commissioner* (*for deposit in the fund established by section 431*) *such proportion of the amounts of such payments as is determined* (*in accordance with paragraph* (*6*)) *to represent his equitable share thereof, but shall not otherwise provide for subrogation of the United States to rights of any insurance beneficiary: Provided, That, except as the Commissioner may otherwise by or pursuant to regulation provide, amounts so paid by a borrower on such a loan shall be first applied in reduction of principal owing on such loan;*

"(*E*) *shall set forth adequate assurance that an amount equal to each payment made under paragraph* (*1*) *will be promptly deposited in or credited to the accounts maintained for purposes of section 422*(*c*)*; and*

"(*F*) *may include such other provisions as may be necessary to promote the purposes of this part.*

"(*3*) *To the extent provided in regulations of the Commissioner, a guaranty agreement under this subsection may contain provisions which permit such forebearance for the benefit of the student borrower as may be agreed upon by the parties to an insured loan and approved by the insurer.*

"(*4*) *For purposes of this subsection, the terms 'insurance beneficiary' and 'default' shall have the meanings assigned to them by section 430*(*e*).

"(*5*) *In the case of any guaranty agreement entered into prior to September 1, 1969, with a State or nonprofit private institution or organization with which the Commissioner has in effect on that date an agreement pursuant to subsection* (*b*) *of this section, or section 9*(*b*) *of the National Vocational Student Loan Insurance Act of 1965, made prior to the date of enactment of this subsection, the Commissioner may, in accordance with the terms of this subsection, undertake to guarantee loans described in paragraph* (*1*) *which are insured by* *such State, institution, or organization and are outstanding on the date of execution of the guaranty agreement, but only with respect to defaults occurring after the execution of such guaranty agreement or, if later, after its effective date.*

"(6)(A) For the purpose of paragraph (2)(D) the Commissioner's equitable share of payments made by the borrower pursuant to such paragraph shall be that portion of the payments remaining after the State or the nonprofit private institution or organization with which the Commissioner has an agreement under this subsection has deducted from such payments (i) a percentage amount equal to the complement of the reinsurance percentage in effect when payment under the guaranty agrement was made with respect to the loan and (ii) an amount equal to the administrative costs of collection of the loan and the administrative costs of preclaims assistance for default prevention (as such terms are defined in subparagraph (B) of this subsection) reimbursed pursuant to subsection (f), to the extent such costs do not exceed 30 per centum of such payments.

"(B) For the purpose of this paragraph, the term—

> *"(i) 'administrative costs of collection of the loan' means any administrative costs incurred by a guaranty agency which are directly related to the collection of the loan on which a default claim has been paid to the participating lender, including the attributable compensation of collection personnel (and in the case of personnel who perform several functions for such an agency only the portion of compensation attributable to the collection activity), attorney's fees, fees paid to collection agencies, postage, equipment, supplies, telephone and similar charges, but does not include the overhead costs of such agency whether or not attributable and*
>
> *"(ii) 'administrative costs of preclaim assistance for default prevention' means any administrative costs incurred by a guaranty agency which are directly related to providing collection assistance to the lender on a delinquent loan, prior to the loan's being legally in a default status, including the attributable compensation of appropriate personnel (and in the case of personnel who perform several functions for such an agency only the portion of compensation attributable to the collection activity), fees paid to locate a missing borrower, postage, equipment, supplies, telephone and similar charges, but does not include the overhead costs of such agency whether or not attributable,*

subject to such additional criteria as the Commissioner may by regulation prescribe.

"(7)(A) Notwithstanding paragraph (1)(B), the amount to be paid a State or a nonprofit private institution or organization for any fiscal year—

> *"(i) which begins on or after the effective date of this paragraph; and*
>
> *"(ii) which is either the fiscal year in which such State, institution, or organization begins to actively carry on a student loan insurance program which is subject to a guarantee agreement under this subsection, or is one of the four succeeding fiscal years,*

shall be 100 per centum of the amount expended by such State, organization, or institution in discharge of its insurance obligation insured under such program.

"(B) The Commissioner shall continuously monitor the operations of those States and nonprofit private institutions or organizations to which the provisions of subparagraph (A) are applicable and revoke the application of such subparagraph to any such State or nonprofit private institution or organization which he determines has not exercised reasonable prudence in the administration of such program.

"(d) No provision of any law of the United States (other than sections 427(a)(2)(D) and 427(b) of this Act) or of any State (other than a statute applicable principally to such State's student loan insurance program) which limits the rate or amount of interest payable on loans shall apply to a loan—

"(1) which bears interest (exclusive of any premium for insurance) on the unpaid principal balance at a rate not in excess of 7 per centum per annum, and

"(2) which is insured (A) by the United States under this part, or (B) by a State or nonprofit private institution or organization under a program covered by an agreement made pursuant to subsection (b) of this section.

"(e)(1) Each eligible institution shall be eligible to receive from the Commissioner the payment of $10 per academic year for each student enrolled in that institution who is in receipt of a loan described in paragraph (1) of subsection (a) of this section, for that year. Payments received by an institution under this subsection shall be used first by the institution to carry out the provisions of section 493A of this Act and then for such additional administrative costs as that institution determines necessary.

"(2) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection. If the sums appropriated for any fiscal year for making payments under this subsection are not sufficient to pay in full the amounts provided for in paragraph (1), then such amount will be ratably reduced. In case additional funds become available for making payments for any fiscal year during which the preceding sentence has been applied, such reduced amounts shall be increased on the same basis as they were reduced.

"(f)(1)(A) The Commissioner is authorized to make payments in accordance with the provisions of this paragraph to any State or any nonprofit private institution or organization with which he has an agreement under subsection (b) of this section, for the purposes of—

"(i) the administrative costs of promotion of commercial lender participation;

"(ii) the administrative costs of collection of loans;

"(iii) the administrative costs of preclaims assistance for default prevention; or

"(iv) other such costs related to the student loan insurance program subject to such agreement.

The total amount of payments for any fiscal year made under this paragraph shall not exceed one-half of 1 per centum of the total principal amount of the loans upon which insurance was issued under this part during such fiscal year by such State, or institution or organization. If the sums appropriated for any fiscal year for making payments under this paragraph are not sufficient to pay in full the amounts provided for which such States, institutions, and organizations are eligible, then *such amount will be ratably reduced. In case additional funds become available for making payments for any fiscal year during which the preceding sentence has been applied, such reduced amounts shall be increased on the same basis as they were reduced.*

"*(B) Each State or nonprofit private institution or organization to which subparagraph (A) of this paragraph applies shall spend not less than ¼ of the payments received pursuant to this paragraph on the purposes described in clause (i) of subparagraph (A), not less than ½ of such payments on the purposes described in clauses (ii) and (iii) of subparagraph (A), and the remaining amount of such payments on the purpose described in clause (iv) of such subparagraph.*

"*(2)(A) The Commissioner is authorized to make payments in accordance with the provisions of this paragraph to any State or any nonprofit private institution or organization with which he has a supplemental guaranty agreement under section 428A(a)(2) of this Act for the purposes of—*

"*(i) the administrative costs of promotion of commercial lender participation;*

"*(ii) the administrative costs of collection of loans;*

"*(iii) the administrative costs of preclaims assistance for default prevention; or*

"*(iv) other such costs related to the student loan insurance program subject to such agreement.*

The total amount of payments for any fiscal year made under this paragraph shall not exceed an additional one-half of 1 per centum of the total principal amount of the loans upon which insurance was issued under this part during such fiscal year by such State, or institution or organization. If the sums appropriated for any fiscal year for making payments under this paragraph are not sufficient to pay in full the amounts provided for which such States, institutions, and organizations are eligible, then such amount will be ratably reduced. In case additional funds become available for making payments for any fiscal year during which the preceding sentence has been applied, such reduced amounts shall be increased on the same basis as they were reduced.

"*(B) The provisions of subparagraph (B) of paragraph (1) shall apply to any payments made under subparagraph (A) of this paragraph.*

"*(3) For the purpose of this subsection, the term—*

"*(A) 'administrative costs of promotion of commercial lender participation' means any administrative costs incurred by an insurer which are directly related to supervising, training, or informing eligible lenders or prospective eligible lenders or inducing such lenders to improve or expand their program participation, and such costs may include (i) the costs of planning and executing instructional seminars and the costs of attending other meetings with lenders, (ii) the costs of obtaining or producing instructional or promotional materials or equipment for distribution to, or use with, lenders, (iii) postage costs associated with the distribution of instructional or promotional materials to lenders, (iv) an appropriate share of the costs of establishing branch offices to serve the needs of lenders which are geographically distant from such insurer's primarily business location, and (v) an* *appropriate share of the compensation of personnel whose primary responsibility is the training, supervising, or recruiting of lenders, but not including personnel whose primary responsibilities are the performing or supervising such duties as relate to the routine processing of borrower applications for loans or the maintenance of supporting records but in no case shall any such costs include any overhead expenses of such insurer associated with the insurer's primary business location.*

"(B) 'administrative costs of collection of loans' means any administrative costs incurred by a guaranty agency which are directly related to the collection of loans on which default claims have been paid to participating lenders, including the compensation of collection personnel (and in the case of personnel who perform several functions for such an agency only the portion of compensation attributable to collection activities), attorney's fees, fees paid to collection agencies, postage, equipment, supplies, telephone and similar charges, but does not include the overhead costs of such agency, and

"(C) 'administrative costs of preclaim assistance for default prevention' means any administrative costs incurred by a guaranty agency which are directly related to providing collection assistance to lenders on delinquent loans, prior to the loans being legally in a default status, including the compensation of appropriate personnel (and in the case of personnel who perform several functions for such an agency only the portion of compensation attributable to collection activities) fees paid to locate missing borrowers, postage, equipment, supplies, telephone and similar charges, but does not include the overhead costs of such agency, subject to such additional criteria as the Commissioner may by regulation prescribe.

"(4)(A) No payment may be made under paragraph (1) of this subsection unless the State or the nonprofit private institution or organization submits to the Commissioner an application at such time, at least annually, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require. Each such application shall—

"(i) contain provisions designed to demonstrate the capability of carrying out a necessary and successful program of collection of and preclaim assistance for the loan program subject to that agreement;

"(ii) set forth an estimate of the costs which are eligible for payment under the provisions of this subsection;

"(iii) provide for such administrative and fiscal procedures, including an audit, as are necessary to carry out the provisions of this subsection; and

"(iv) set forth assurances that the State or the nonprofit private institution or organization will furnish such data and information, including where necessary estimates, as the Commissioner may reasonably require to carry out the provisions of this subsection.

"(B) No payment may be made under paragraph (2) of this subsection unless the State or the nonprofit private institution or organization submits to the Commissioner an application, at such time, at least

annually, in such manner, and containing or accompanied by such information as the Commissioner may reasonably require. Each such application shall—

"*(i) set forth assurances that the student loan insurance program subject to the supplemental guaranty agreement complies with clauses (A) through (F) of paragraph (2) of section 428A (a);*

"*(ii) contain provisions designed to demonstrate the capability of carrying out a necessary and successful program of collection of and preclaim assistance for the loan program subject to that agreement;*

"*(iii) set forth an estimate of the costs which are eligible for payment under the provisions of this subsection;*

"*(iv) provide for such administrative and fiscal procedures, including an audit, as are necessary to carry out the provisions of this subsection; and*

"*(v) set forth assurances that the State or the nonprofit private institution or organization will furnish such data and information, including where necessary estimates, as the Commissioner may reasonably require to carry out the provisions of this subsection.*

"*(g) If a nonprofit private institution or organization (1) applies to enter into an agreement with the Commissioner under subsections (b) and (c) with respect to a student loan insurance program to be carried on in a State with which the Commissioner does not have an agreement under subsection (b), and (2) as provided in the application, undertakes to meet the requirements of section 422(c)(6)(B)(i), (ii), and (iii), the Commissioner shall consider and act upon such application within 180 days, and shall forthwith notify the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives of his actions.*

"*LOAN INSURANCE SUPPLEMENTAL GUARANTY AGREEMENT*

"*Sec. 428A. (a)(1) The Commissioner may enter into a supplemental guaranty agreement, annually, with any State or any nonprofit private institution or organization having a guaranty agreement under section 428 (c)(1) whereby the Commissioner shall undertake to reimburse the State or nonprofit private institution or organization, under such terms and conditions as he may establish, in an amount determined in accordance with section 428(c)(1)(B), if the Commissioner determines that the student loan insurance program—*

"*(A) authorizes the insurance of loans in any amount up to a maximum of $2,500 (in the case of a student who has not successfully completed a program of undergraduate education) or $5,000 (in the case of a graduate or professional student) to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner), which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall be any amount up to a maximum of $7,500 in the case of any student who has successfully completed* *a program of undergraduate education, and $15,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part, or by a State or nonprofit institution or organization with which the Commissioner has an agreement under this part, made to such person before he became a graduate or professional student);*

"(B) insures not less than 100 per centum of the unpaid principal of the loans insured under the program, whether or not such loans are eligible for interest subsidies under this part;

"(C) provides for the insurance of loans for part-time study at an eligible institution in the same manner as is provided under the Federal student loan insurance program;

"(D) provides no restrictions with respect to the insurance of loans for students who are otherwise eligible for loans under such program if such a student is a legal resident of the State and if such a student is accepted for enrollment in or is attending an eligible institution outside that State;

"(E) provides no restrictions with respect to eligible institutions that are residential institutions which are more onerous than eligibility requirements for institutions under the Federal student loan insurance program, unless (i) that institution is ineligible under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is ineligible pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility issued under the Federal student loan insurance program, or (ii) there is a State constitutional prohibition affecting the eligibility of such an institution; and

"(F) provides (i) for the eligibility of the eligible institutions as lenders under reasonable criteria, unless (I) that eligible institution is eliminated as a lender under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is eliminated as a lender pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility as a lender issued under the Federal student loan insurance program, or (II) there is a State constitutional prohibition affecting the eligibility of such an institution as a lender, and (ii) assurances that the State or nonprofit private institution or organization will report to the Commissioner not later than July 1, 1977, and annually thereafter, concerning such criteria, including any special requirements for the eligibility of such lenders, procedures in effect under such program to limit, suspend, or terminate such lenders, a list of applications of such lenders, a summary of actions taken on such applications, and a list of the names of all such lenders within the State.

"(2) The Commissioner may enter into a supplemental guaranty agreement, annually, with any State or any nonprofit private institution or organization having a guaranty agreement under section 428(c)(1) for the purpose of qualifying such State or nonprofit pri-

vate institution or organization for payment of administrative cost allowances under section 428(f)(2) if the Commissioner determines that the student loan insurance program—

"(*A*) *authorizes the insurance of loans in any amount up to a maximum of $2,500 (in the case of a student who has not successfully completed a program of undergraduate education) or $5,000 (in the case of a graduate or professional student) to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner), which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall be any amount up to a maximum of $7,500 in the case of any student who has successfully completed a program of undergraduate education, and $15,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part, or by a State or nonprofit institution or organization with which the Commissioner has an agreement under this part, made to such person before he became a graduate or professional student);*

"(*B*) *insures not less than 100 per centum of the unpaid principal of the loans insured under the program, whether or not such loans are eligible for interest subsidies under this part;*

"(*C*) *provides for the insurance of loans for parttime study at an eligible institution in the same manner as is provided under the Federal student loan insurance program;*

"(*D*) *provides no restrictions with respect to the insurance of loans for students who are otherwise eligible for loans under such program if such a student is a legal resident of the State, or if such a student is accepted for enrollment in or is attending an eligible institution within that State;*

"(*E*) *provides no restrictions with respect to eligible institutions that are residential institutions which are more onerous than eligibility requirements for eligible institutions under the Federal student loan insurance program, unless (i) that eligible institution is ineligible under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is ineligible pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility issued under the Federal student loan insurance program, or (ii) there is a State constitutional prohibition affecting the eligibility of such an institution;*

"(*F*) *provides (i) for the eligibility of the eligible institutions as lenders under reasonable criteria, unless (I) that eligible institution is eliminated as a lender under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is eliminated as a lender pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility as a lender issued* *under the Federal student loan insurance program, or (II) there is a State constitutional prohibition affecting the eligibility of such an institution as a lender, and (ii) assurances that the State or nonprofit private institution or organization will report to the Commissioner not later than July 1, 1977, and annually thereafter, concerning such criteria, including any special requirements for the eligibility of such lenders, procedures in effect under such program to limit, suspend, or terminate such lenders, a list of applications of such lenders, a summary of actions taken on such applications, and a list of the names of all such lenders within the State.*

"(b) Each supplemental guaranty agreement entered into under subsection (a)—

"(1) shall set forth such administrative and fiscal procedures as may be necessary to protect the United States from the risk of unreasonable loss thereunder, to insure proper and efficient administration of the loan insurance program, and to insure that due diligence will be exercised in the collection of loans insured under the program;

"(2) shall set forth adequate assurance that the requirements of paragraph (1) or paragraph (2) of subsection (a) of this section, as the case may be, are met;

"(3) shall provide for the making of such reports, in such form, and containing such information as the Commissioner may reasonably require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

"(4) shall set forth adequate assurance that, with respect to so much of any loan insured under the loan insurance program as may be guaranteed by the Commissioner pursuant to subsection (a) of this section, the undertaking of the Commissioner under the supplemental guaranty agreement is acceptable in full satisfaction of State law or regulation requiring the maintenance of a reserve;

"(5) shall provide that if, after the Commissioner has made payment under the supplemental guaranty agreement pursuant to this section with respect to any loan, any payments are made in discharge of the obligation incurred by the borrower with respect to such loan (including any payments of interest accruing on such loan after such payment by the Commissioner), there shall be paid over to the Commissioner (for deposit in the fund established by section 431) such portion of the amount of such payments as is determined (in accordance with regulations prescribed by the Commissioner) to represent his equitable share thereof, but shall not otherwise provide for subrogation of the United States to the rights of any insurance beneficiary: Provided, That, except as the Commissioner may otherwise by or pursuant to regulation provide, amounts so paid by a borrower on such a loan shall be first applied in reduction of principal owing on such loan; and

"(6) may include such other provisions as may be necessary to promote the purposes of this part.

"(c)(1) *To the extent provided in regulations of the Commissioner, a supplemental guaranty agreement under this section may contain provisions which permit such forbearance for the benefit of the student borrower as may be agreed upon by the parties to an insured loan and approved by the insurer.*

"(2) *For purposes of this section, the terms 'insurance beneficiary' and 'default' shall have the meanings assigned to them by section 430(e).*

"*CERTIFICATE OF FEDERAL LOAN INSURANCE—EFFECTIVE DATE OF INSURANCE*

"*SEC. 429.* (a)(1) *If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.*

"(2) *Insurance evidenced by a certificate of insurance pursuant to subsection* (a)(1) *shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection* (a)(1) *by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection* (c).

"(3) *An application submitted pursuant to subsection* (a)(1) *shall contain* (A) *an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection* (c), *and* (B) *an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.*

"(b)(1) *In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection* (a), *the Commissioner may, in accordance with regulations consistent with section 424, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection* *while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.*

"(2) If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 424, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance on comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

"(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such times and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) requests for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 430(a).

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

"(e) The consolidation of the obligations of two or more federally insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

"DEFAULT OF STUDENT UNDER FEDERAL LOAN INSURANCE PROGRAM

"Sec. 430. (a) Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this part, and prior to

the commencement of suit or other enforcement proceedings upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The 'amount of the loss' on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount and interest accrued from the date of submission of a valid default claim (as determined by the Commissioner) to the date on which payment is authorized by the Commissioner, reduced to the extent required by section 425(b). Such beneficiary shall be required to meet the standards of due diligence in the collection of the loan.

“*(b) Upon payment of the amount of the loss pursuant to subsection (a), the United States shall be subrogated for all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured. The Commissioner may, in attempting to make recovery on such loans, contract with private business concerns, State student loan insurance agencies, or State guaranty agencies, for payment for services rendered by such concerns or agencies in assisting the Commissioner in making such recovery. Any contract under this subsection entered into by the Commissioner shall provide that attempts to make recovery on such loans shall be fair and reasonable, and do not involve harassment, intimidation, false or misleading representations, or unnecessary communications concerning the existence of any such loan to persons other than the student borrower.*

“*(c) Nothing in this section or in this part shall be construed to preclude any forebearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forebearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance.*

“*(d) Nothing in this section or in this part shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a)(4) and section 429(a)(3), or to pay the required Federal loan insurance premiums, he shall disqualify that lender for further Federal insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.*

“*(e) As used in this section—*

“*(1) the term 'insurance beneficiary' means the insured or its authorized assignee in accordance with section 429(d); and*

"*(2) the term 'default' includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.*

"*INSURANCE FUND*

"*SEC. 431. (a) There is hereby established a student loan insurance fund (hereinafter in this section called the 'fund') which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured by him under this part, or in connection with payments under a guaranty agreement under section 428(c). All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, any excess advances under section 422(c)(4)(C), and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured by the Commissioner under this part, or in connection with such guaranty agreements shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.*

"*(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured by the Commissioner under this part, or in connection with any guaranty agreement made under section 428(c) or 428A(a)(1), the Commissioner is authorized, to the extent provided in advance by appropriations Acts, to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.*

"*LEGAL POWERS AND RESPONSIBILITIES*

"*Sec. 432.* (*a*) *In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—*

"(*1*) *prescribe such regulations as may be necessary to carry out the purposes of this part;*

"(*2*) *sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 509, 517, 547, and 2679 of title 28 of the United States Code;*

"(*3*) *include in any contract for Federal loan insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;*

"(*4*) *subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured by him under this part;*

"(*5*) *enforce, pay, or compromise, any claim on, or arising because of, any such insurance or any guarantee agreement under section 428*(*c*)*; and*

"(*6*) *enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption.*

"(*b*) *The Commissioner shall, with respect to the financial operations arising by reason of this part—*

"(*1*) *prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and*

"(*2*) *maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to* *section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.*

“(c)(1)(A) For loans insured after December 31, 1976, or in the case of each insurer after such earlier date where the data required by this subsection are available, the Commissioner and all other insurers under this part shall collect and accumulate all data relating to (i) loan volume insured and (ii) defaults reimbursed or default rates according to the categories of loans listed in subparagraph (B) of this paragraph.

“(B) The data indicated in subparagraph (A) of this paragraph shall be accumulated according to the category of lender making the loan and shall be accumulated separately for lenders who are (i) eligible institutions, (ii) State or private, nonprofit direct lenders, (iii) commercial financial institutions who are banks, savings and loan associations, or credit unions, and (iv) all other types of institutions or agencies.

“(C) The Commissioner may designate such additional subcategories within the categories specified in subparagraph (B) as he deems appropriate.

“(D) The category or designation of a loan shall not be changed for any reason, including its purchase or acquisition by a lender of another category.

“(2)(A) The Commissioner shall collect data under this subsection from all insurers under this part and shall publish not less often than once every fiscal year a report showing loan volume guaranteed and default data for each category specified in subparagraph (B) of paragraph (1) of this subsection and for the total of all lenders.

“(B) The reports specified in subparagraph (A) of this paragraph shall include a separate report for each insurer under this part including the Commissioner, and where an insurer insures loans for lenders in more than one State, such insurer’s report shall list all data separately for each State.

“(3) For purposes of clarity in communications, the Commissioner shall separately identify loans made by the lenders referred to in clause (i) and loans made by the lenders referred to in clause (ii) of paragraph (1)(B) of this subsection.

“(d)(1) The functions of the Commissioner under this part listed in paragraph (2) of this subsection may be delegated to employees in the regional offices of the Office of Education established pursuant to section 403(c)(2) of the General Education Provisions Act.

“(2) The functions which may be delegated pursuant to this subsection are—

“(A) reviewing applications for loan insurance under section 429 and issuing contracts for Federal loan insurance, certificates of insurance, and certificates of comprehensive insurance coverage to eligible lenders which are financial or credit institutions subject to examination and supervision by an agency of the United States or of any State;

“(B) receiving claims for payments under section 430(a), examining those claims, and pursuant to regulations of the Commissioner, approving claims for payment, or requiring lenders to take

additional collection action as a condition for payment of claims; and

"(C) certifying to the central office when collection of defaulted loans has been completed, compromising or agreeing to the modification of any Federal claim against a borrower (pursuant to regulations of the Commissioner issued under section 432(a)), and recommending litigation with respect to any such claim.

"INSTITUTIONAL LENDERS

"SEC. 433. (a)(1) An eligible institution may not act as an eligible lender or originate loans under this part unless it has in effect an agreement with the Commissioner under which it agrees (A) to make such loans to no more than 50 per centum of the students in attendance at the institution who are not graduate or professional students (as defined in regulations of the Commissioner), and (B) that it will not make such a loan under this part to a student, other than a graduate or professional student (as defined in regulations of the Commissioner), who has not previously received a loan from such institution until such student has provided the institution with either (i) a statement from an eligible lender (other than an eligible institution or a State or an agency of a State or a private nonprofit agency designated by a State) that the borrower sought a loan from it and was denied such loan, or (ii) a sworn statement by the borrower that the lender from which he sought such a loan declined to provide the statement described in clause (i).

"(2) Whenever the Commissioner determines that the termination of the eligible institution's status as a lender under paragraph (1) would be a hardship to the present or prospective students of the eligible institution after considering the management of that institution, the opportunities that institution provides to economically disadvantaged students, and related factors, the Commissioner shall waive the provisions of such paragraph with respect to that institution.

"(b)(1) An eligible institution shall be deemed to have originated a loan for purposes of this section if it has had delegated to it by an eligible lender a substantial portion of the functions and responsibilities normally performed by a lender prior to the making of a loan, such as interviewing the applicant for the loan, explaining the applicant's responsibilities under the loan, obtaining completion of necessary forms, obtaining necessary documentation, or verifying that the student is eligible for the loan.

"(2) For purposes of this section, a loan is made or originated on the date of the first disbursement of any proceeds of the loan.

"PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL, STATE, AND PRIVATE STUDENT LOAN INSURANCE PROGRAMS

"SEC. 434. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans to student members in accordance with the provisions of this part relating to federally insured loans, or in accordance with the provisions of any State or nonprofit private student loan insurance program which meets the requirements of section 428(a)(1)(C).

"*DEFINITIONS FOR STUDENT LOAN INSURANCE PROGRAM*

"*Sec. 435. As used in this part:*

"*(a) The term 'eligible institution' means (1) an institution of higher education, (2) a vocational school, or (3) with respect to students who are nationals of the United States, an institution outside the United States which is comparable to an institution of higher education or to a vocational school and which has been approved by the Commissioner for purposes of this part, except that such term does not include any such institution or school which employs or uses commissioned salesmen to promote the availability of any loan program described in section 428(a)(1) at that institution or school.*

"*(b) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, or who are beyond the age of compulsory school attendance, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time or, (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.*

“(c) The term ‘vocational school’ means a business or trade school, or technical institution or other technical or vocational school, in any State, which (1) admits as regular students only persons who have completed or left elementary or secondary school and who have the ability to benefit from the training offered by such institution; (2) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations; (3) has been in existence for two years or has been specially accredited by the Commissioner as an institution meeting the other requirements of this subsection; and (4) is accredited (A) by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this clause, (B) if the Commissioner determines that there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a State agency listed by the Commissioner pursuant to this clause, and (C) if the Commissioner determines there is no nationally recognized or State agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by him and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope, and quality which must be met by those schools in order for loans to students attending them to be insurable under this part and shall also determine whether particular schools meet those standards. For the purpose of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations and State agencies which he determines to be reliable authority as to the quality of education or training afforded.

“(d) The term ‘collegiate school of nursing’ means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

“(e) The term ‘associate degree school of nursing’ means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

“(f) The term ‘accredited’ when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

“(g)(1) Except as provided in paragraphs (2), (3), and (4), the term ‘eligible lender’ means—

“(A) a National or State chartered bank, a mutual savings bank, a savings and loan association, or a credit union which—

“(i) is subject to examination and supervision by an agency of the United States or of the State in which its principal place of operation is established, and

“(ii) does not have as its primary consumer credit function the making or holding of loans made to students under this part unless it is a bank which is wholly owned by a State;

"(B) a pension fund as defined in the Employees Retirement Income Security Act;

"(C) an insurance company which is subject to examination and supervision by an agency of the United States or a State;

"(D) in any State, a single agency of the State or a single nonprofit private agency designated by the State;

"(E) an eligible institution which meets the requirements of paragraphs (2), (3), and (4) of this subsection and which has signed an agreement pursuant to section 433; and

"(F) for purposes only of purchasing and holding loans made by other lenders under this part, the Student Loan Marketing Association or an agency of any State functioning as a secondary market.

"(2) To be an eligible lender under this part, an eligible institution—

"(A) shall employ at least one person whose full-time responsibilities are limited to the administration of programs of financial aid for students attending such institution; and

"(B) shall not be a home study school.

"(3) The term eligible lender does not include any eligible institution in any fiscal year immediately after the fiscal year in which the Commissioner determines, after notice and opportunity for a hearing, that for each of two consecutive years 15 per centum or more of the amount of the loan described in section 428(a)(1) made with respect to students at that institution and repayable in each such year is in default, as defined in section 430(c)(2).

"(4) Whenever the Commissioner determines that—

"(A) there is reasonable possibility that an eligible institution may, within one year after a determination is made under paragraph (3), improve the collection of loans described in section 428(a)(1), so that the application of paragraph (3) would be a hardship to that institution, or

"(B) the termination of the lender's status under paragraph (3) would be a hardship to the present or prospective students of the eligible institution, after considering the management of that institution, the ability of that institution to improve the collection of loans, the opportunities that institution offers to economically disadvantaged students, and other related factors,

the Commissioner shall waive the provisions of paragraph (3) with respect to that institution. Any determination required under this paragraph shall be made by the Commissioner prior to the termination of an eligible institution as a lender under the exception of paragraph (3). Whenever the Commissioner grants a waiver pursuant to this paragraph he shall provide technical assistance to the institution concerned in order to improve the collection rate of such loans.

"(h) The term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

"(i) The term 'due diligence' requires the utilization by a lender, in the servicing and collection of loans insured under this part, of collection practices at least as extensive and forceful as those generally practiced by financial institutions for the collection of consumer loans.

"DISTRICT OF COLUMBIA STUDENT LOAN INSURANCE PROGRAM

"Sec. 436. (a) The government of the District of Columbia is authorized (1) to establish a student loan insurance program which meets the requirements of this part for a State loan insurance program in order to enter into agreements with the Commissioner for the purposes of this title, (2) to enter into such agreements with the Commissioner, (3) to use amounts appropriated for the purposes of this section to establish a fund for such purposes and for expenses in connection therewith, and (4) to accept and use donations for the purposes of this section.

"(b) Notwithstanding the provisions of any applicable law, if the borrower, on any loan insured under the program established pursuant to this section, is a minor, any otherwise valid note or other written agreement executed by him for the purposes of such loan shall create a binding obligation.

"(c) There are authorized to be appropriated such amounts as may be necessary for the purposes of this section.

"REPAYMENT BY THE COMMISSIONER OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS

"Sec. 437. (a) If a student borrower who has received a loan described in clause (A), (B), or (C) of section 428(a)(1) dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Commissioner), then the Commissioner shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.

"(b) If a student borrower who has received a loan described in clause (A), (B), or (C) of section 428(a)(1) is relieved of his obligation to repay such loan, in whole or in part, through a discharge in bankruptcy, the Commissioner shall repay the amount of the loan so discharged.

"SPECIAL ALLOWANCES

"Sec. 438. (a) In order to assure (1) that the limitation on interest payments or other conditions (or both) on loans made or insured under this part, do not impede or threaten to impede the carrying out of the purposes of this part or do not cause the return to holders of loans to be less than equitable, (2) that incentive payments on such loans are paid promptly to eligible lenders, (3) that appropriate consideration of relative administrative costs and money market conditions is made in setting the quarterly rate of such payments, and (4) that participating lenders will have a better and more accurate way of assessing the rate of such payments for current and prospective quarters, the Congress finds it necessary to establish an improved method for the determination of the quarterly rate of the special allowance on such loans, and to provide for a thorough, expeditious and objective examination of alternative methods for the determination of the quarterly rate of such allowance.

"(b)(1) A special allowance shall be paid for each of the three-month periods ending March 31, June 30, September 30, and December 31 of every year and the amount of such allowance paid to any holder with respect to any three-month period shall be a percentage

of the unpaid balance of disbursed principal (not including unearned interest added to principal) of all eligible loans held by such holder during such period.

"(2)(A) Subject to subparagraphs (B) and (C) and paragraph (4), the special allowance paid pursuant to this subsection shall be computed (i) by determining the average of the bond equivalent rates of the ninety-one-day Treasury bills auctioned for such three-month period, (ii) by subtracting 3.5 per centum from such average, and (iii) by rounding the resultant per centum upward to the nearest one-eighth of 1 per centum.

"(B) Except as provided in paragraph (4), if the special allowance computed according to subparagraph (A) would (i) cause the special allowance for any twelve-month period during the period ending September 30, 1977, to exceed 3 per centum, the special allowance rate to be paid for such period shall be reduced to the highest one-eighth of 1 per centum rate interval which would not cause such excess.

"(C) Except as provided in subparagraph (4), if the special allowance computed according to subparagraph (A) would (i) cause the special allowance for any twelve-month period after October 1, 1977, to exceed 5 per centum, the special allowance rate to be paid for such period shall be reduced to the highest one-eighth of 1 per centum rate which would not cause such excess.

"(3) Subject to paragraph (4) the special allowance determined for any such three-month period shall be payable at such time, after the close of such period, as may be specified by or pursuant to regulations promulgated under this section. The holder of a loan with respect to which any such allowance is to be paid shall be deemed to have a contractual right, as against the United States, to receive such allowance from the Commissioner.

"(4)(A) If payment of the special allowance payable under this section or of interest payments under section 428(a) with respect to a loan have not been made within thirty days after the Commissioner has received an accurate, timely, and complete request for payment thereof, the special allowance payable to such holder shall be increased by an amount equal to the daily interest accruing on the special allowance and interest benefits payments due the holder.

"(B) Such daily interest shall be computed at the daily equivalent rate of the special allowance rate computed pursuant to paragraph (3) plus 7 per centum and shall be paid for the later of (i) the thirty-first day after the receipt of such request for payment from the holder, or (ii) the thirty-first day after the final day of the period or periods covered by such request, and shall be paid for each succeeding day until, and including, the date on which the Commissioner authorizes payment.

"(C) For purposes of reporting to the Congress the amounts of special allowances paid under this section, amounts of special allowances paid pursuant to this subparagraph shall be segregated and reported separately.

"(5) As used in this section, the term 'eligible loan' means a loan which is insured under this part, or made under a program covered by an agreement under section 428(b) of this Act.

"(b) The Commissioner shall pay the holder of an eligible loan, at such time or times as are specified in regulations, a special allowance

prescribed pursuant to subsection (a), subject to the condition that such holder shall submit to the Commissioner, at such time or times and in such manner as he may deem proper, such information as may be required by regulation for the purpose of enabling the Secretary and the Commissioner to carry out their functions under this section and to carry out the purposes of this section.

“(c) *The Commissioner shall adopt or amend appropriate regulations pertaining to programs carried on under this part to prevent, where practicable, any practices which he finds have denied loans to a substantial number of students. Regulations issued under section 2(a)(6)(B)(ii) of the Emergency Insured Student Loan Act of 1969 shall remain in effect until superseded or amended under this subsection, but no payments shall be made under such Act after the effective date of this section.*

“(d) *There are authorized to be appropriated such sums as may be necessary for special allowances authorized by this section.*

“(e) *In order to assure (i) that the limitation on interest payments or other conditions (or both) on loans made or insured under this part, do not impede or threaten to impede the carrying out of the purposes of this part or do not cause the return to holders of loans to be less than equitable, (ii) that incentive payments on such loans are paid promptly to eligible lenders, (iii) that appropriate consideration of relative administrative costs and money market conditions is made in setting the quarterly rate of such payments, and (iv) that participating lenders will have a better and more accurate way of assessing the rate of such payments for current and prospective quarters, there is established a Committee on the Process of Determining Student Loan Special Allowances (hereinafter in this section referred to as the ‘Committee’). The Committee shall be composed of—*

“(1) *the Commissioner of Education;*

“(2) *the Secretary of Health, Education, and Welfare;*

“(3) *the Secretary of Treasury;*

“(4) *a representative of State and nonprofit private institutions and organizations participating under an agreement under section 428(b);*

“(5) *a student financial aid administrator of an eligible institution (as defined in section 435(g)(2));*

“(6) *a business officer of an eligible institution (as defined in section 435(g)(2));*

“(7) *a representative of participating eligible lenders other than one defined in section 435(g)(1)(E);*

“(8) *a student at an eligible institution (as defined in section 435(g)(2)); and*

“(9) *a representative of the Student Loan Marketing Association, designated by the Board of Directors of the Association.*

“(f) *The Commissioner shall appoint the members of the Committee described in paragraphs (4), (5), (6), (7), and (8) of subsection (e) of this section, after consultation in the case of those members appointed under each such paragraph, with nationally-recognized organizations of such persons or agencies.*

“(g)(1) *No later than October 1, 1977, the Committee shall prepare and submit to the President of the Senate and the Speaker of the House of Representatives a report of their findings and recommenda-*

tions for an improved method or methods for the determination of the quarterly rate of the special allowance paid under this Act which they believe will carry out the objectives set forth in subsection (a) of this section.

"(2) The Committee shall make every effort to reach a unanimous decision with respect to the method for the determination of the quarterly rate of the special allowance established under this section.

"(3) In developing the method for the determination of the quarterly rate of the special allowance under this section, the Committee shall consider—

"(A) the experiences of students, and eligible lenders under the method prescribed in this section, and under the method in operation prior to the enactment of this section,

"(B) the administrative costs of various types of eligible lenders under this part,

"(C) relevant and widely available financial indicators which accurately reflect the costs of capital invested in programs under this part, or substitute financial indicators which equitably represent the cost of such capital,

"(D) an administrative mechanism necessary to produce a prompt and rapidly disseminated determination of the quarterly rate of the special allowance, in order to avoid delays in the determination and dissemination of that rate and in the actual payment of the special allowance to eligible lenders, and

"(E) such other factors as the Committee considers necessary to carry out the purposes of this section.

"(4) In carrying out its responsibilities under this section, the Committee shall be given the full cooperation and assistance of the official in the Office of Education directly responsible for the administration of this part B of title IV of the Higher Education Act of 1965 and such other appropriate officials of the Office of Education as the Committee deems appropriate.

"(5) In order to assist the Committee to carry out its functions under this section, the Commissioner of Education is authorized to hire consultants, and to enter into contracts, and pay the costs of such contracts from funds regularly appropriated for the purpose of administering programs authorized by this part.

"(6) The Commissioner of Education shall convene the first session of the Committee within sixty days after the date of enactment of the Education Amendments of 1976. The Chairman of the Committee shall be selected by those members who are not officials of the Federal Government from among themselves.

"(7) The Committee is not authorized to employ permanent employees or to lease or obtain the use of permanent offices or to take other steps to extend its period of service beyond the time necessary to complete its responsibilities under this section.

"(8) The Committee shall cease to exist ten days after the submission of the report prescribed in paragraph (1) of this subsection.

"STUDENT LOAN MARKETING ASSOCIATION

"SEC. 439. (a) The Congress hereby declared that it is the purpose of this section (1) to establish a Government-sponsored private corporation which will be financed by private capital and which will serve

as a secondary market and warehousing facility for insured student loans, insured by the Commissioner under this part or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b), and which will provide liquidity for student loan investments; and (2) in order to facilitate secured transactions involving insured student loans, to provide for perfection of security interests in insured student loans either through the taking of possession or by notice filing.

"*(b)(1) There is hereby created a body corporate to be known as the Student Loan Marketing Association (hereinafter referred to as the 'Association'). The Association shall have succession until dissolved. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue and jurisdiction in civil actions, to be a resident thereof. Offices may be established by the Association in such other place or places as it may deem necessary or appropriate for the conduct of its business.*

"*(2) The Association, including its franchise, capital, reserves, surplus, mortgages, or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by any State, territory, possession, Commonwealth, or dependency of the United States, or by the District of Columbia, or by any county, municipality, or local taxing authority, except that any real property of the Association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.*

"*(3) There is hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare $5,000,000 for making advances for the purpose of helping to establish the Association. Such advances shall be repaid within such period as the Secretary may deem to be appropriate in light of the maturity and solvency of the Association. Such advances shall bear interest at a rate not less than (A) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining period to maturity comparable to the maturity of such advances, adjusted to the nearest one-eighth of 1 per centum, plus (B) an allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses. Repayments of such advances shall be deposited into miscellaneous receipts of the Treasury.*

"*(c)(1) The Association shall have a Board of Directors which shall consist of twenty-one persons, one of whom shall be designated Chairman by the President.*

"*(2) An interim Board of Directors shall be appointed by the President, one of whom he shall designate as interim Chairman. The interim Board shall consist of twenty-one members, seven of whom shall be representative of banks or other financial institutions which are insured lenders pursuant to this section, seven of whom shall be representative of educational institutions, and seven of whom shall be representative of the general public. The interim Board shall arrange for an initial offering of common and preferred stocks and take whatever other actions are necessary to proceed with the operations of the Association.*

"(3) When, in the judgment of the President, sufficient common stock of the Association has been purchased by educational institutions and banks or other financial institutions, the holders of common stock which are educational institutions shall elect seven members of the Board of Directors and the holders of common stock which are banks or other financial institutions shall elect seven members of the Board of Directors. The President shall appoint the remaining seven directors, who shall be representative of the general public.

"(4) At the time the events described in paragraph (3) have occurred, the interim Board shall turn over the affairs of the Association to the regular Board so chosen or appointed.

"(5) The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the unexpired portion of the term.

"(6) The Board of Directors shall meet at the call of its Chairman, but at least semiannually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the executive officers of the Association and shall discharge all such executive functions, powers, and duties.

"(d)(1) The Association is authorized, subject to the provisions of this section, pursuant to commitments or otherwise, to make advances on the security of, purchase, service, sell, or otherwise deal in, at prices and on terms and conditions determined by the Association, student loans which are insured by the Commission under this part or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b).

"(2) Any warehousing advance made under paragraph (1) of this subsection shall not exceed 80 per centum of the face amount on an insured loan. The proceeds from any such advance shall be invested in additional insured student loans.

"(3) Notwithstanding the provisions of any State law to the contrary, including the Uniform Commercial Code as in effect in any State, a security interest in insured student loans created on behalf of the Association or any eligible lender as defined in section 435(a) may be perfected either through the taking of possession of such loans or by the filing of notice of such security interest in such loans in the manner provided by said State law for perfection of security interests in accounts.

"(e) The Association, pursuant to such criteria as the Board of Directors may prescribe, shall make advances on security or purchase student loans pursuant to subsection (d) only after the Association is assured that the lender (A) does not discriminate by pattern or

practice against any particular class or category of students by requiring that, as a condition to the receipt of a loan, the student or his family maintain a business relationship with the lender, except that this clause shall not apply in the case of a loan made by a credit union, savings and loan association, mutual savings bank, institution of higher education, or any other lender with less than $50,000,000 in deposits, and (B) does not discriminate on the basis of race, sex, color, creed, or national origin.

"(f)(1) The Association shall have common stock having a par value of $100 per share which may be issued only to lenders under this part, pertaining to guaranteed student loans, who are qualified as insured lenders under this part or who are eligible institutions as defined in section 435(a) (other than an institution outside the United States).

"(2) Each share of common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors. Voting shall be by classes as described in subsection (c)(3).

"(3) The common stock of the Association shall be transferable only as may be prescribed by regulations of the Secretary of Health, Education, and Welfare, and, as to the Association, only on the books of the Association. The Secretary of Health, Education, and Welfare shall prescribe the maximum number of shares of common stock the Association may issue and have outstanding at any one time.

"(4) To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on common stock by the Board of Directors. Such dividends as may be declared by the Board shall be paid to the holders of outstanding shares of common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call.

"(g)(1) The Association is authorized, with the approval of the Secretary of Health, Education, and Welfare, to issue nonvoting preferred stock with a par value of $100 per share. Any preferred share issued shall be freely transferable, except that, as to the Association, it shall be tarnsferred only on the books of the Association.

"(2) The holders of the preferred shares shall be entitled to such rate of cumulative dividends and such shares shall be subject to such redemption or other conversion provisions as may be provided for at the time of issuance. No dividends shall be payable on any share of common stock at any time when any dividend is due on any share of preferred stock and has not been paid.

"(3) In the event of any liquidation, dissolution, or winding up of the Association's business, the holders of the preferred shares shall be paid in full at par value thereof, plus all accrued dividends, before the holders of the common shares receive any payment.

"(h)(1) The Association is authorized with the approval of the Secretary of Health, Education, and Welfare and the Secretary of the Treasury to issue and have outstanding obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association. Such obligations may be redeemable at the option of the Association before maturity in such manner as may be stipulated therein.

"(2) *The Secretary of Health, Education, and Welfare is authorized, prior to July 1, 1982, to guarantee payment when due of principal and interest on obligations issued by the Association in an aggregate amount determined by the Secretary in consultation with the Secretary of the Treasury.*

"(3) *To enable the Secretary of Health, Education, and Welfare to discharge his responsibilities under guarantees issued by him, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of Health, Education, and Welfare with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the months preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. There is authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary to pay the principal and interest on the notes or obligations issued by him to the Secretary of the Treasury.*

"(i) *The Association shall have power—*

"(1) *to sue and be sued, complain and defend, in its corporate name and through its own counsel;*

"(2) *to adopt, alter, and use the corporate seal, which shall be judicially noticed;*

"(3) *to adopt, amend, and repeal by its Board of Directors, bylaws, rules, and regulations as may be necessary for the conduct of its business;*

"(4) *to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;*

"(5) *to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;*

"(6) *to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Association;*

"(7) *to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;*

"(8) *to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define* *their duties, to fix their salaries, require bonds for them and fix the penalty thereof; and*

"(9) to enter into contracts, to execute instruments, to incur liabilities, and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"(j) The accounts of the Association shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants or by independent licensed public accountants, licensed on or before December 31, 1970, who are certified or licensed by a regulatory authority of a State or other political subdivision of the United States, except that independent public accountants licensed to practice by such regulatory authority after December 31, 1970, and persons who, although not so certified or licensed, meet, in the opinion of the Secretary, standards of education and experience representative of the highest standards prescribed by the licensing authorities of the several States which provide for the continuing licensing of public accountants and which are prescribed by the Secretary in appropriate regulations may perform such audits until December 31, 1975. A report of each such audit shall be furnished to the Secretary of the Treasury. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the Secretary shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Association and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

"(k) A report of each such audit for a fiscal year shall be made by the Secretary of the Treasury to the President and to the Congress not later than six months following the close of such fiscal year. The report shall set worth the scope of the audit and shall include a statement (showing intercorporate relations) of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the President and the Congress informed of the operations and financial condition of the Association, together with such recommendations with respect thereto as the Secretary may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit. A copy of each report shall be furnished to the Secretary of Health, Education, and Welfare and to the Association.

"(l) All obligations issued by the Association shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority or control of the United States or of any officer or officers thereof. All stock and obligations issued by the Association pursuant to this section shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States.

The Association shall, for the purposes of section 14(b) (2) of the Federal Reserve Act, be deemed to be an agency of the United States.

"(m) In order to furnish obligations for delivery by the Association, the Secretary of the Treasury is authorized to prepare such obligations in such form as the Board of Directors may approve, such obligations when prepared to be held in the Treasury subject to delivery upon order by the Association. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Association shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such obligations.

"(n) The Association shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress a report of its operations and activities during each year.

"FIVE-YEAR NONDISCHARGEABILITY OF CERTAIN LOAN DEBTS

"Sec. 439A. (a) A debt which is a loan insured or guaranteed under the authority of this part may be released by a discharge in bankruptcy under the Bankruptcy Act only if such discharge is granted after the five-year period (exclusive of any applicable suspension of the repayment period) beginning on the date of commencement of the repayment period of such loan, except that prior to the expiration of that five-year period, such loan may be released only if the court in which the proceeding is pending determines that payment from future income or other wealth will impose an undue hardship on the debtor or his dependents.

"(b) Subsection (a) of this section shall be effective with respect to any proceedings begun under the Bankruptcy Act on or after September 30, 1977.

"CRIMINAL PENALTIES

"Sec. 440. (a) Any person who knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any funds, assets or property provided or insured under this part shall be fined not more than $10,000 or imprisoned for not more than five years, or both; but if the amount so embezzled, misapplied, stolen or obtained by fraud, false statement, or forgery does not exceed $200, the fine shall be not more than $1,000 and imprisonment shall not exceed one year, or both.

"(b) Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection with an application for a finding by the Commissioner under section 435(b)(4) (A) or (B), for the purpose of qualifying an educational institution as an eligible institution under this part shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both.

"(c) Any person who knowingly and willfully makes any false statement to, furnishes any false information to, or conceals any material information in connection with the assignment of a loan, which is insured under this part, to another eligible lender, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both.

"(d) Any person who knowingly and willfully makes an unlawful payment to an eligible lender as an inducement to make, or to acquire by assignment, a loan insured under this part shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both.

"(e) Any person who knowingly and willfully destroys any application for a loan which is insured under this part, any application for insurance of a loan under this part, or destroys or conceals any other record relating to the making or insuring of loans under this part with intent to defraud the United States or to prevent the United States from enforcing any right obtained by subrogation under this part, shall upon conviction thereof, be fined not more than $10,000 or imprisoned not more than five years, or both.".

(b) The amendment made by subsection (a) of this section of this Act shall become effective October 1, 1976, except as otherwise provided therein, and to the extent such amendment makes changes in such part B which affect student loans, such changes shall apply to outstanding loans as well as to loans made after the amendment becomes effective, except that—

(1) the changes made in sections 425(a), 427(a)(1)(C), 427(a)(2)(G) and 428(b)(1) (A), (B), and (P) shall become applicable with respect to loans to cover the costs of education for periods of enrollment beginning on or after October 1, 1976;

(2) section 422(c) shall become effective October 1, 1977;

(3) section 428(f) shall become effective October 1, 1976;

(4) the changes made in section 428(a)(2) shall become applicable with respect to the determination of interest subsidies on loans to cover the costs of education for periods of enrollment beginning on or after 30 days after the date of enactment of this Act;

(5) the new section 433 shall become effective with respect to loans made to cover the costs of education for periods of enrollment beginning on or after October 1, 1976;

(6) the changes in section 428(c) with respect to the amount of Federal guarantee payments shall become effective with respect to payments to reimburse States and nonprofit private institutions and organizations with which the Commissioner has an agreement under section 428(c) of such part which are made on or after October 1, 1976; and

(7) section 438 shall become effective with respect to fiscal quarters beginning after December 31, 1976.

(c)(1). Section 2(a)(7) of the Emergency Insured Student Loan Act of 1969 is amended by striking out "October 1, 1976" and inserting in lieu thereof "January 1, 1977."

(2) Effective October 1, 1977, the Emergency Insured Student Loan Act of 1969 is repealed.

WORK-STUDY PROGRAM

SEC. 128. (a) Section 441(b) of the Act is amended—

(1) by striking out the word "and" after "1974,", and

(2) by inserting before the period a comma and the following: "$420,000,000 for the fiscal year ending June 30, 1976, and the

transitional period beginning July 1, 1976, and ending September 30, 1976, $450,000,000 for the fiscal year ending September 30, 1977, $570,000,000 for the fiscal year ending September 30, 1978, $600,000,000 for the fiscal year ending September 30, 1979, $630,000,000 for the fiscal year ending September 30, 1980, $670,000,000 for the fiscal year ending September 30, 1981, and $720,000,000 for the fiscal year ending September 30, 1982.

(b) Section 443(b) of the Act is amended by striking "461" and inserting in lieu thereof "491", and by inserting before the period at the end thereof the following: ", and includes a combination of such institutions which have entered into a cooperative arrangement, or have designated or created a public or private nonprofit agency, institution, or organization to act on their behalf.".

(c)(1) Section 444(a)(1) of the Act is amended by striking out the word "public" the second time it appears and by inserting in lieu thereof "Federal, State, or local public agency", and by inserting "agency or" before the word "organization" the second time it appears in such section.

(2) Section 444(a)(2) of the Act is amended to read as follows:

> *"(2) provide that funds granted an institution of higher education, pursuant to section 443, may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section 493 of this Act, may use a portion of the sums granted to it to meet the cost of a job location and development program in accordance with section 447 of this part, and may transfer funds in accordance with the provisions of section 496 of this Act;".*

(3) Section 444(a)(4) of the Act is amended to read as follows:

> *"(4) provide that no student in a work-study program under this part shall be required to terminate that employment during a semester (or other regular enrollment period) at the time income derived from any additional employment together with such work-study income is in excess of the determination of the amount of such student's need for that semester under clause (3) of this subsection, but when such excess income equals $200 or more, continued employment under a work-study program shall not be subsidized with funds appropriated under this part;".*

(4) Section 444(a)(7) of the Act is amended to read as follows:

> *"(7) include provisions to make employment under such work-study program reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof, and to make equivalent employment offered or arranged by the institution reasonably available (to the extent of available funds) to all students in the institution who desire such employment; and".*

(d) Section 447 of the Act is amended to read as follows:

"JOB LOCATION AND DEVELOPMENT PROGRAMS

"Sec. 447. (a) The Commissioner is authorized to enter into agreements with eligible institutions under which such institution may use not more than 10 per centum or $15,000 of its allotment under section 446, whichever is less, to establish or expand a program under which

such institution, separately, in combination with other eligible institutions, or through a contract with a nonprofit organization, locates and develops jobs for currently enrolled students which are suitable to the scheduling and other needs of such students.

"*(b) Agreements under subsection (a) shall—*

"*(1) provide that the Federal share of the cost of any program under this section will not exceed 80 per centum of such cost;*

"*(2) provide satisfactory assurance that funds available under this section will not be used to locate or develop jobs at an eligible institution;*

"*(3) provide satisfactory assurance that the institution will continue to spend in its own job location and development programs, from sources other than funds received under this section, not less than the average expenditures per year made during the most recent three fiscal years preceding the effective date of the agreement;*

"*(4) provide satisfactory assurance that funds available under this section will not be used for the location or development of jobs for students to obtain upon graduation, but rather for the location and development of jobs available to students during and between periods of attendance at such institution;*

"*(5) provide satisfactory assurance that the location or development of jobs pursuant to programs assisted under this section will not result in the displacement of employed workers or impair existing contracts for services;*

"*(6) provide satisfactory assurance that Federal funds used for the purposes of this section can realistically be expected to help generate student wages exceeding in the aggregate the amount of such funds and that if such funds are used to contract with another organization, appropriate performance standards are part of such contract; and*

"*(7) provide that the institution will submit to the Commissioner an annual report on the uses made of funds provided under this section and an evaluation of the effectiveness of such program in benefiting the students of such institution.*".

COOPERATIVE EDUCATION

SEC. 129. (a) Title IV of the Act is further amended by striking out part D and any references thereto.

(b) Title VIII of the Act is amended to read as follows:

"*TITLE VIII—COOPERATIVE EDUCATION*

"*APPROPRIATIONS AUTHORIZED*

"*SEC. 801. (a) There are authorized to be appropriated—*

"*(1) for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, $13,000,000;*

"*(2) for the fiscal year 1977, $15,000,000;*

"*(3) for the fiscal year 1978, $20,000,000;*

"*(4) for the fiscal year 1979, $25,000,000; and*

"*(5) for each of the fiscal years 1980, 1981, and 1982, $25,000,000,* *to enable the Commissioner to make grants pursuant to section 802 to institutions of higher education, or to combinations of such institutions, for the planning, establishment, expansion, or carrying out by such institutions or combinations of programs of cooperative education. Such programs shall provide alternating periods of academic study and of public or private employment, the latter affording students not only the opportunity to earn the funds necessary for continuing and completing their education but, so far as practicable, giving them work experience related to their academic or occupational objectives.*

"*(b) There are further authorized to be appropriated—*

(1) $1,000,000 for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976;

"*(2) $1,500,000 for the fiscal year 1977;*

"*(3) $2,500,000 for the fiscal year 1978; and*

"*(4) $3,000,000 for each of the fiscal years 1978, 1979, 1980, 1981, and 1982,*

to enable the Commissioner to make training, demonstration, or research grants or contracts pursuant to section 803.

"*(c) Appropriations under this title shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this part.*

"*GRANTS FOR PROGRAMS OF COOPERATIVE EDUCATION*

"*SEC. 802. (a) From the sums appropriated pursuant to subsection (a) of section 801, and for the purposes set forth therein, the Commissioner is authorized to make grants to institutions of higher education that have applied therefor in accordance with subsection (b) of this section, in amounts not in excess of $175,000 to any one such institution for any fiscal year, and to combinations of such institutions (that have so applied) in amounts not to exceed an amount equal to the product of $125,000 times the number of institutions participating in such combination, for any fiscal year.*

"*(b) Each application for a grant authorized by subsection (a) of this section shall be filed with the Commissioner at such time or times as he may prescribe and shall—*

"*(1) set forth programs or activities for which a grant is authorized under this section;*

"*(2) specify the portion or portions of such programs or activities which will be performed by a nonprofit organization or institution other than the applicant and the compensation to be paid for such performance;*

"*(3) provide that the applicant will expend during such fiscal year for the purpose of such program or activity not less than was expended for such purpose during the previous fiscal year;*

"*(4) provide that the applicant shall make such reports and keep such records as are essential to insure that the applicant's programs or activities are conducted in accordance with the provisions of this part;*

"*(5) provide for such fiscal control and fund accounting pro-*

cedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part; and

"*(6) include such other information as is essential to carry out the provisions of this part.*

"*(c) No institution of higher education may receive, individually or as a participant in a combination of such institutions, grants under this section for more than five fiscal years. No such institution or combination thereof may receive—*

"*(1) a grant in excess of 100 per centum of the total administrative cost for the first of such fiscal years;*

"*(2) a grant in excess of 90 per centum of such cost for the second of such years;*

"*(3) a grant in excess of 80 per centum of such cost for the third of such years;*

"*(4) a grant in excess of 60 per centum of such cost for the fourth of such years; or*

"*(5) a grant in excess of 30 per centum of such cost for the fifth of such years.*

Any provision of law to the contrary notwithstanding, the Commissioner shall not waive the provisions of this subsection.

"*(d) In approving applications under this section, the Commissioner shall give special consideration to applications from institutions of higher education for programs which show the greatest promise of success because of—*

"*(1) the extent to which programs in the academic discipline with respect to which the application is made have had a favorable reception by employers,*

"*(2) the commitment of the institution of higher education to cooperative education as demonstrated by the plans which such institution has made to continue the program after the termination of Federal financial assistance, and*

"*(3) such other factors as are consistent with the purposes of this section.*

"*GRANTS AND CONTRACTS FOR TRAINING AND RESEARCH*

"*SEC. 803. From the sums appropriated pursuant to subsection (b) of section 801, the Commissioner is authorized, for the training of persons in the planning, establishment, administration, or coordination of programs of cooperative education, for projects demonstrating or exploring the feasibility or value of innovative methods of cooperative education, or for research into methods of improving, developing, or promoting the use of cooperative education programs in institutions of higher education, to—*

"*(1) make grants to or contracts with institutions of higher education, or combinations of such institutions, and*

"*(2) make grants to or contracts with other public or private nonprofit agencies or organizations, when such grants or contracts will make an especially significant contribution to attaining the objectives of this section.*".

DIRECT LOAN PROGRAM

Sec. 130. (a) Section 461(b) of the Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

(b) Section 461(b)(2) of the Act is amended by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1979", and by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

(c) Section 463(a) of the Act is amended by redesignating clauses (4) and (5) as clauses (5) and (6), respectively, and inserting immediately after paragraph (3) the following new clause:

> *"(4) provide that where a note or written agreement evidencing a note has been in default for (A) one hundred and twenty days, in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days, in the case of a loan which is repayable in less frequent installments, notice of such default shall be given to the Commissioner in a report describing the total number of loans from such fund which are in such default, and made to the Commissioner at least semiannually;".*

(d) Section 464(b) of the Act is amended by striking ", upon notice to the Commissioner,".

(e) Section 464(c)(1)(A) of the Act is amended by inserting immediately before the semicolon at the end thereof the following: ", except that such period may begin earlier than nine months after such date upon the request of the borrower".

(f) Section 464(c)(1)(C) of the Act is amended to read as follows:

> *"(C) may provide, at the option of the institution in accordance with regulations of the Commissioner, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to him from a student loan fund assisted under this part shall be at a rate equal to not less than $30 per month, except that the institution may, subject to such regulations, permit a borrower to pay less than $30 per month for a period of not more than one year where necessary to avoid hardship to the borrower, but without extending the ten-year maximum repayment period provided for in clause (A) of this paragraph;".*

(g)(1) Section 464(c)(1) of the Act is amended by redesignating clauses (F) and (G) as (G) and (H), respectively, and by inserting after clause (E) the following new clause:

> *"(F) shall provide that the liability to repay the loan shall be canceled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner;".*

(2) The amendments made by this subsection shall take effect on June 23, 1972.

(h)(1) Section 466 of the Act is amended by striking out "June 30, 1980" wherever it appears and inserting in lieu thereof "September 30, 1984".

(2) Section 466 of the Act is further amended by striking out "December 31, 1980" wherever it appears and inserting in lieu thereof "March 31, 1985".

(3) Section 466(b) of the Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "September 30, 1978".

(4) Section 466(c) of the Act is amended by striking out "July 1, 1980" and inserting in lieu thereof "October 1, 1984".

STUDENT CONSUMER INFORMATION

Sec. 131. (a) Section 493 of the Act is amended—

(1) by striking out "3 per centum" in subsection (a) and inserting in lieu thereof "4 per centum";

(2) by inserting "(1)" following "1958," and by inserting before the period a comma and the following: "and (2) shall be used by such institution to carry out the provisions of section 493A of this Act";

(3) by striking "$125,000" in subsection (b) and inserting in lieu thereof, "$325,000"; and

(4) by adding at the end of said section, the following new subsection:

"(c) Payment received by an institution under this section shall be used first to carry out the provisions of section 493A of this Act and then for such additional administrative costs as the institution of higher education determines necessary.".

(b) Subpart 1 of part F of title IV of the Act is further amended by inserting immediately after section 493 the following new sections:

"INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS

"Sec. 493A. (a)(1) Effective July 1, 1977, each institution of higher education and each eligible institution which receives payments under sections 411(d), 428(e) or 493 of this title, as the case may be, shall carry out information dissemination activities to prospective students and to enrolled students who request information regarding financial assistance under this title. The information required by this section shall be produced and be made readily available, through appropriate publications and mailings, to all current students and to any prospective student upon request. The information required by this section shall accurately describe—

"(A) the student financial assistance programs available to students who enroll at such institution,

"(B) the method by which such assistance is distributed among student recipients who enroll at such institution,

"(C) any means, including forms, by which application for student financial assistance is made and requirements for accurately preparing such applications and the review standards employed to make awards for student financial assistance,

"(D) the rights and responsibilities of students receiving financial assistance under this title,

"(E) the cost of attending the institution, including (i) tuition and fees, (ii) books and supplies, (iii) estimates of typical student room and board costs or typical community costs, and (iv) any additional cost of the program in which the student is enrolled or expresses a specific interest,

"(F) the refund policy of the institution for the return of unearned tuition and fees or other refundable portion of cost, as described in clause (E) of this subsection,

"(G) the academic program of the institution, including (i) the current degree programs and other educational and training programs, (ii) the instructional, laboratory, and other physical plant facilities which relate to the academic program, (iii) the faculty and other instructional personnel, and (iv) data regarding student retention at the institution and, when available, the number and percentage of students completing the programs in which the student is enrolled or expresses interest, and

"(H) each person designated under subsection (b) of this section, and the methods by which and locations in which any person so designated may be contacted by students and prospective students who are seeking information required by this subsection.

"(2) For purposes of this section, the term 'prospective student' means any individual who has contacted an institution of higher education or an eligible institution requesting information for the purpose of enrolling in that institution.

"(b) Effective July 1, 1977, each institution of higher education or eligible institution, as the case may be, which receives payments authorized under section 411(d), 428(e), or section 493 of this title shall designate an employee or group of employees who shall be available on a full-time basis to assist students or potential students in obtaining information as specified in the preceding subsection. The Commissioner may, by regulation, waive the requirement that an employee or employees be available on a full-time basis for carrying out responsibilities required under this section whenever an institution of higher education or eligible institution, as the case may be, in which the total enrollment, or the portion of the enrollment participating in programs under this title at that institution, is too small to necessitate such employee or employees being available on a full-time basis. No such waiver may include permission to exempt any such institution from designating a specific individual or a group of individuals to carry out the provisions of this section.

"(c) Within 120 days after the date of enactment of the Education Amendments of 1976, the Commissioner shall begin to make available to institutions of higher education and eligible institutions descriptions of Federal student assistance programs including the rights and responsibilities of student and institutional participants, in order to (1) assist students in gaining information through institutional sources, and (2) assist institutions in carrying out the provisions of this section, so that individual and institutional participants will be fully aware of their rights and responsibilities under such programs.

"STUDENT AID INFORMATION SERVICES

"Sec. 493B. In order to assist in the expansion and improvement of campus student aid information services, the Commissioner shall—

"(1) survey institutional practices of providing students with complete and accurate information about student financial aid, including the employment of part-time financial aid counselors under work-study programs, hiring other part-time persons from

the community, using campus or community volunteers, and communicating through use of publications or technology; collect institutional evaluations of such practices; and disseminate the information described in this clause;

"(2) convene meetings of financial aid administrators, students, and other appropriate representatives to explore means of expanding campus financial aid information services and improving the training of part-time individuals involved in such services;

"(3) whenever possible, include student peer counselors and other part-time financial aid personnel in training programs sponsored by the Office of Education; and

"(4) make recommendations to Congress not later than October 1, 1977, concerning his findings and legislative proposals for improving the use and quality of services of part-time campus financial aid personnel.

"STUDENT FINANCIAL ASSISTANCE TRAINING PROGRAM

"Sec. 493C. (a) It is the purpose of this section to make incentive grants available to the States to be administered, in consultation with statewide financial aid administrator organizations, for the purpose of designing and developing programs to increase the proficiency of institutional and State financial aid administrators in all aspects of student financial aid.

"(b) There are hereby authorized to be appropriated $280,000 for each year ending prior to October 1, 1978, for equal division among the States.

"(c) To receive a grant under this section a State must provide appropriate assurance to the Commissioner that the grant will be matched from State funds by an amount at least equal to the amount of the grant.

"(d) From the funds otherwise allotted to the States for subpart 2 of part A, and for part C and part E of this title for States which have obtained a grant under this section, the Commissioner shall transfer to such State an amount equal to .05 per centum of such funds or $10,000, whichever is less, and shall reduce such State allotment by that amount.

"(e) A State which desires to obtain a grant under this subsection for any fiscal year shall submit an application therefor through or by the State agency administering its program of student grants, or if such agency does not exist, through or by any agency or organization designated for such purpose by the State, at such time or times, and containing such information as may be required by such regulations as the Commissioner may prescribe for the purpose of enabling the Commissioner to disburse the funds.".

ELIGIBILITY FOR STUDENT ASSISTANCE

Sec. 132. Section 497 of the Act is amended by adding at the end thereof the following new subsection:

"(e) Any student assistance received by a student under this title shall entitle the student receiving it to payments only if—

"(1) that student is maintaining satisfactory progress in the course of study he is pursuing, according to the standards and

practices of the institution at which the student is in attendance, and

"(2) that student does not owe a refund on grants previously received at such institution under this title, or is not in default on any loan from a student loan fund at such institution provided for in part E, or a loan made, insured, or guaranteed by the Commissioner under this title for attendance at such institution.".

FISCAL RESPONSIBILITY

SEC. 133. (a) Title IV of the Act is further amended by adding after section 497 the following new sections:

"FISCAL ELIGIBILITY OF INSTITUTIONS

"SEC. 497A. (a) Notwithstanding any other provisions of this title, or of section 434(c) of the General Education Provisions Act, the Commissioner is authorized to prescribe such regulations as may be necessary to provide for—

"(1) a fiscal audit of an eligible institution with regard to any funds obtained by it under this title or obtained from a student who has a loan insured or guaranteed by the Commissioner under this title;

"(2) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an eligible institution of a program of student financial aid under this title;

"(3) the establishment by each eligible institution under part B responsible for furnishing to the lender the statement required by section 428(a)(2)(A)(i), of policies and procedures by which the latest known address and enrollment status of any student who has had a loan insured under this part and who has either formally terminated his enrollment, or failed to re-enroll on at least a half-time basis, at such institution, shall be furnished either to the holder (or if unknown, the insurer) of the note, not later than sixty days after such termination or failure to re-enroll; and

"(4) the limitation, suspension or termination of the eligibility for any program under this title of any otherwise eligible institution, whenever the Commissioner has determined, after reasonable notice and opportunity for hearing on the record, that such institution has violated or failed to carry out any provision of this title or any regulation prescribed under this title, except that no period of suspension under this section shall exceed sixty days unless the institution and the Commissioner agree to an extension or unless limitation or termination proceedings are initiated by the Commissioner within that period of time.

"(b) The Commissioner shall, for the purpose of carrying out the provisions of this section with respect to subpart 1 of part A of this title, enter into special arrangements with institutions of higher education at which students receiving basic grants under that subpart are enrolled. The Commissioner shall include special provisions designed to carry out the provisions of this section in agreements with institutions of higher education under section 413C, in agreements with eligible institutions under section 443, and in agreements with institutions of higher education under section 468.

"(*c*) *Upon determination that an eligible institution has engaged in substantial misrepresentation of the nature of its educational program, its financial charges, or the employability of its graduates, the Commissioner may suspend or terminate the eligibility status for any or all programs under this title of any otherwise eligible institution, in accordance with procedures specified in paragraph* (*a*)(*3*), *until he finds that such practices have been corrected.*

"(*d*) *The Commissioner shall publish a list of State agencies which he determines to be reliable authority as to the quality of public postsecondary vocational education in their respective States for the purpose of determining eligibility for all Federal student assistance programs.*

"(*e*) *For the purpose of this section the term 'eligibile institution' means any such institution described in section 435*(*a*) *of this Act.".*

(*b*)(*1*) *Any regulations for the carrying out of section 438, as in effect on the date immediately prior to the effective date of this subsection shall be deemed to remain in force until amended or superseded by new regulations of the Commissioner.*

(*2*) *Within 120 days of the effective date of this subsection, the Commissioner is directed to issue a comprehensive revision of the regulations heretofore prescribed for the carrying out of section 438, for the purpose of modifying such regulations, to the extent possible, to make them applicable to all programs under title IV of the Act.*

PART E.—EDUCATION PROFESSIONS DEVELOPMENT

REVISION OF TITLE V

SEC. 151. (*a*)(*1*) *The heading of title V of the Act is amended to read as follows:*

"*TITLE V—TEACHER CORPS AND TEACHER TRAINING PROGRAMS*".

(*2*) *Part A of such title is repealed.*

(*3*) *Title V of the Act is amended—*

(*A*) *by striking out*

"*PART B—ATTRACTING AND QUALIFYING TEACHERS*",

and

(*B*) *by striking out*

"*Subpart 1—Teachers Corps*".

(*4*)(*A*) *Subpart 2 of part B, and parts C, D, and E of such title are repealed.*

(*B*) *Part F of title V of the Act is amended by adding at the end thereof a new section:*

"*AUTHORIZATION OF APPROPRIATIONS*

"*SEC. 555. There are authorized to be appropriated for the purposes of carrying out this part $25,000,000 for each of the fiscal years ending prior to October, 1, 1977.".*

(C) Effective September 30, 1977, part F of such title is repealed.

(5)(A) Section 511(a) of the Act (as amended by section 152(a)(1)) is amended by striking out "subpart" and inserting in lieu thereof "part".

(B) Section 512 of the Act is amended by striking out "subpart" and inserting in lieu thereof "part".

(C) Section 513 of the Act is amended by striking out "subpart" and inserting in lieu thereof "part".

(b) The amendments made by subsection (a) (except the amendment made by paragraph 4(C) thereof) shall take effect on September 30, 1976.

TEACHER CORPS

SEC. 152. (a)(1) Section 511 of the Act is amended by inserting "(a)" after the section designation and by adding at the end thereof the following:

"(b) For the purpose of carrying out the provisions of this part there are authorized to be appropriated $50,000,000 for the fiscal year 1977, $75,000,000 for the fiscal year 1978, and $100,000,000 for the fiscal year 1979.".

(2) Section 511(a) of the Act (as redesignated by paragraph (1) of this subsection) is further amended by striking out the words "and teacher aides" both places they appear and inserting in lieu thereof a comma and the following: "teacher aides, and other educational personnel".

(b) Section 513(a) of the Act is amended—

(1) by striking out "two" the first time it appears in paragraph (1), and inserting in lieu thereof "five" and by inserting after "teacher aides" the following: "and other educational personnel";

(2) by striking out in paragraph (3) "teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of an experienced teacher" and inserting in lieu thereof "Teacher Corps programs each of which shall include teacher-intern teams led by experienced teachers, and may include additional experienced teachers, teacher aides, and other educational personnel, who may be afforded time by the local educational agency for a training program carried out"; and

(3) by amending paragraph (7) to read as follows:

"(7)(A) make available technical assistance to State and local educational agencies and institutions of higher education for carrying out arrangements entered into under this title; and

"(B) provide planning, technical assistance, monitoring, documenting, disseminating, and evaluation services for arrangements made under this title;".

(c) Section 513(b) of the Act is amended by striking out "for teacher-interns while teaching" and inserting in lieu thereof "for Teacher Corps members while serving".

(d) Section 513 of the Act is further amended by adding at the end thereof the following new subsections:

"(e)(1) No arrangement may be entered into under the provisions of paragraph (1), (2), (3), (5), or (6) of subsection (a) of this section unless that arrangement is prepared with the participation of an elected council which shall be representative of the community in which the project subject to that arrangement is located and of the parents of the students of the elementary or secondary schools, or both, to be served by any such project.

"(2) Each council selected pursuant to this subsection shall participate with the local educational agency or institution of higher education, or both, in the planning, carrying out, and evaluation of projects subject to arrangements under paragraphs (1), (2), (3), (5), and (6) of subsection (a) of this section.

"(3) The Commissioner is authorized in each fiscal year to arrange for the payment of necessary secretarial and administration expenses of each council elected pursuant to the provisions of this subsection for the purposes of carrying out its functions under this subsection.

"(f) The Commissioner shall establish procedures seeking, with respect to the Teacher Corps members enrolled after the date of enactment of the Education Amendments of 1976, goal of having approximately five individuals who are at the time of enrollment, or who previously have been, employed as teachers by local educational agencies to one individual who has not been so employed. The Commissioner may waive the procedure established under this subsection if he makes a determination that there are insufficient qualified applicants to maintain the goal sought by this subsection, or that there are insufficient employment opportunities for individuals who are not so employed, and submits a report to the Congress of such a determination.

"(g) Notwithstanding any other provision of law, the Commissioner shall develop and establish specific criteria for entering into arrangements under this part in order to assist applicants for assistance under this part to develop proposals to be submitted. Criteria established under this subsection shall be used by the Commissioner in selecting proposals under this title.".

(e) Section 514 of the Act is amended by adding at the end thereof the following new subsection:

"(f) The Commissioner is authorized to compensate local educational agencies for released time for educational personnel of the agency who are being trained in Teacher Corps projects assisted under this title.".

TEACHER TRAINING PROGRAMS

SEC. 153. (a) Title V of the Act is further amended by inserting immediately before the heading of section 511 the following:

"PART A—TEACHER CORPS PROGRAM"

and by adding at the end thereof the following new part:

"PART B—TEACHER TRAINING PROGRAMS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 531. There are authorized to be appropriated $75,000,000 for the fiscal year 1977 and for each of the fiscal years ending prior to

October 1, 1979, to carry out the provisions of this part. Of the sums so appropriated for any fiscal year not less than 10 per centum shall be available for each of the programs authorized by sections 532 and 533.

"*TEACHER CENTERS*

"*SEC. 532. (a)(1) The Commissioner is authorized to make grants to local educational agencies in accordance with the provisions of this section to assist such agencies in planning, establishing, and operating teacher centers.*

"*(2) For the purpose of this section, the term 'teacher center' means any site operated by a local educational agency (or a combination of such agencies) which serves teachers, from public and nonpublic schools of a State, or an area or community within a State, in which teachers, with the assistance of such consultants and experts as may be necessary, may—*

"*(A) develop and produce curricula designed to meet the educational needs of the persons in the community, area, or State being served, including the use of educational research findings or new or improved methods, practices, and techniques in the development of such curricula; and*

"*(B) provide training to improve the skills of teachers to enable such teachers to meet better the special educational needs of persons such teachers serve, and to familiarize such teachers with developments in curriculum development and educational research, including the manner in which the research can be used to improve their teaching skills.*

"*(b) Each teacher center shall be operated under the supervision of a teacher center policy board, the majority of which is representative of elementary and secondary classroom teachers to be served by such center fairly reflecting the make-up of all schoolteachers, including special education and vocational education teachers. Such board shall also include individuals representative of, or designated by, the school board of the local educational agency served by such center, and at least one representative designated by the institutions of higher education (with departments or schools of education) located in the area.*

"*(c)(1) Any local educational agency desiring to receive a grant under this section shall make application therefor at such time, in such manner, and containing or accompanied by such information, as the Commissioner may by regulation require. Each application shall be submitted through the State educational agency of the State in which the applicant is located. Each such State agency shall review the application, make comments thereon, and recommend each application the State agency finds should be approved. Only applications so recommended shall be transmitted to the Commissioner for his approval.*

"*(2) Any local educational agency which has submitted an application in accordance with paragraph (1) of this subsection which is dissatisfied with the action of the appropriate State educational agency may petition the Commissioner to request further consideration by the State educational agency.*

"*(d) In approving any application under this section, the Commissoner shall insure that there is adequate provision for the furnishing* *of technical assistance to, and dissemination of information derived from, the proposed teacher center by the appropriate State educational agency. Such State agency shall be adequately compensated by the Commissioner for such review of applications, recommendations, submissions, technical assistance, and dissemination services.*

"(e) Any local educational agency having an application approved under this section may contract with an institution of higher education to carry out activities under, or provide technical assistance in connection with, such application.

"(f) Notwithstanding the provisions of subsection (a)(1) of this section with respect to the requirement that teacher centers be operated by local educational agencies, 10 per centum of the funds expended under this section may be expended directly by the Commissioner to make grants to institutions of higher education to operate teacher centers, subject to the other provision of this section.

"TRAINING FOR HIGHER EDUCATION PERSONNEL

"SEC. 533. (a) The Commissioner is authorized to make grants to institutions of higher education to assist such institutions in the training of individuals—

"(1) preparing to serve as teachers, including guidance and counseling personnel, administrative personnel, or education specialists in institutions of higher education if such individuals are (A) from cultural or educational backgrounds which have hindered such individuals in achieving success in the field of education, or (B) preparing to serve in educational programs designed to meet the special needs of students from such backgrounds; or

"(2) serving as teachers, including guidance and counseling personnel, administrative personnel, or education specialists in institutions of higher education, if such individuals are to be trained to meet changing personnel needs, such as in areas determined to be national priority areas pursuant to section 532 of this title.

"(b) Grants made under this section may be used only to assist in paying the cost of courses of training or study, including short term or regular institutes, symposia or other inservice training, for teachers, including guidance and counseling personnel, administrative personnel, or educational specialists in institutions of higher education.".

PART F—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

EXTENSION OF AUTHORIZATION

SEC. 156. (a) Section 601(b) of the Act is amended by striking out that part of the text thereof which precedes "to enable" and inserting in lieu thereof the following: "There are authorized to be appropriated $60,000,000 for each of the fiscal years ending prior to October 1, 1979,".

(b) Section 601(c) of the Act is amended by striking out that part of the text thereof which precedes "to enable" and inserting in lieu thereof the following: "There are authorized to be appropriated $10,000,000 for each of the fiscal years ending prior to October 1, 1979,".

REVISION OF MAINTENANCE OF EFFORT

SEC. 157. (a) Section 604(b) of the Act is amended by striking out all after the first sentence of such section and inserting in lieu thereof the following: "The Commissioner shall establish basic criteria for making determinations under this subsection.".

(b) Section 604 of the Act is amended by adding at the end thereof the following new subsection:

"(c) An institution of higher education shall be elible for a grant for a project pursuant to this part in any fiscal year only if such institution has expended from current funds available for this year for instructional and library purposes, other than personnel costs, during the preceding fiscal year an amount not less than the amount expended, per equivalent full-time student or in the aggregate, whichever is less, by such institution from current funds for such purposes during the second preceding fiscal year. A combination of institutions of higher education shall be eligible for such a grant in accordance with regulations of the Commissioner prescribing requirements for maintenance of effort. The Commissioner shall establish basic criteria for making determinations under this subsection, and may waive so much of the requirement of this subsection as he determines is equitable in accordance with objective criteria of general applicability.".

PART G—CONSTRUCTION OF ACADEMIC FACILITIES

EXTENSION OF PROGRAM

SEC. 161. (a) Section 701(b) is amended by striking out "June 30, 1974, and June 30, 1975" and inserting in lieu thereof "prior to October 1, 1979".

(b) Section 721(b) is amended by striking out "for the fiscal year ending June 30, 1975" and inserting in lieu thereof "for each of the fiscal years ending prior to October 1, 1979".

(c) Section 741(b) is amended by striking out "for the fiscal year ending June 30, 1975" and inserting in lieu thereof "for each of the fiscal years ending prior to October 1, 1979".

(d) Section 745(c)(2) is amended by striking out "July 1 of each of the four succeeding years" and inserting in lieu thereof, "the first day of each fiscal year during the period ending September 30, 1979".

(e) Section 762(a) is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

REVISION OF PROGRAM

SEC. 162. (a) Title VII of the Act is amended—

(1) by inserting ", RECONSTRUCTION AND RENOVATION" immediately after "CONSTRUCTION" in the heading of such title;

(2) by inserting ", RECONSTRUCTION, AND RENOVATION" immediately after "CONSTRUCTION" each place it appears in the headings of Parts A, B and C of such title;

(3) by inserting ", reconstruction, or renovation" immediately after "construction" each place it appears in sections 701(a),

702(c)(1), 703(c)(1), 704(a)(2)(A), 705(a), 705(b), 706(a)(1), 707(a)(2), 707(c)(1), 741(a)(2), 742(a)(3), 745(a), 745(e)(3), 746(a)(1), 781(a), 781(b), 782(3), and 782(5);

(4) by inserting "reconstructed or renovated" after "constructed," in section 705(b), section 781, and section 782(1);

(5) by striking out "construction" in section 707(a)(2)(F) and inserting in lieu thereof, "project"; and

(6) by inserting "reconstruct or renovate" after the word "construct" in section 742(a)(4).

(b) Section 701(c) of the Act is amended by inserting "an appropriate amount, but in no case less than" immediately before "24 per centum".

(c) Section 704(b) of the Act is amended to read as follows:

"(b) The Commissioner shall not disapprove any State plan submitted under this section unless he determines after reasonable notice and opportunity for hearing and comment, that the plan is inconsistent with a specific provision of this section or other relevant sections of this title."

(d) Section 705(a) of the Act is amended by striking out "on the campus of such institution".

(e) Section 721(a) of the Act is amended by inserting "(1)" immediately after "(a)" and by adding at the end thereof the following new paragraph:

"(2) The Commissioner is authorized to make grants to or enter into contracts with institutions of higher education for the construction of facilities for model intercultural programs designed to integrate the educational requirements of substantive knowledge and language proficiency.".

(f) Section 743(b)(5) of the Act is amended by inserting before the semicolon the following: "including (A) the granting of a temporary moratorium on the repayment of principal or interest or both to any institution of higher education or higher education building agency the Commissioner finds to be temporarily unable to make such repayment without undue financial hardship, if such institution or agency presents, and the Commissioner approves, a specific plan to make such repayment including a schedule for such repayment, and (B) the granting to any such institution or agency for which he has authorized a loan under this part prior to January 1, 1976, of the option to pay into the fund established under section 744 an amount equal to 75 per centum of the total current obligation of the institution or agency under this part, in full accord and satisfaction of such total current obligation, if such institution or agency desiring to exercise such an option makes payment from non-Federal sources prior to October 1, 1979.".

(g)(1) Section 745(b) of the Act is amended by striking out "section 744(b)(2)" and inserting in lieu thereof "section 742(b)".

(2) Section 745(c)(2) of the Act is amended by striking out "four" and inserting in lieu thereof "six", and by inserting before the period at the end thereof a comma and the following: "and October 1, 1977 and on October 1 of each of the succeeding fiscal years".

(h) Section 762(a) of the Act is amended by striking out "Office of Emergency Planning" and inserting in lieu thereof "Office of Emergency Preparedness".

(i) Title VII of the Act is further amended by redesignating Part E and all references thereto as Part F and by inserting immediately after Part D the following new part:

"*Part E—Reconstruction and Renovation*

"Sec. 771. (a) The Commissioner is authorized to make grants from funds appropriated under section 701(b), grants from funds appropriated under section 721(b), loans from funds appropriated under section 741(b), or loans, to the extent provided in advance by appropriations Acts, from any unused amounts inthe fund established under section 744, notwithstanding any prior restrictions on the use of such unused amounts, to institutions of higher education and to higher education building agencies for the reconstruction or renovation of academic facilities if the primary purpose of such reconstruction or renovation is—

"(1) to enable such institutions to economize on the use of energy resources, or

"(2) to enable such institutions to bring their academic facilities into conformity with the requirements of—

"(A) the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968, or

"(B) environmental protection or health and safety programs mandated by Federal, State or local law, if such requirements were not in effect at the time such facilities were constructed.

"(b)(1) In determining whether the primary purpose of a proposed reconstruction or renovation is to conserve energy, the Commissioner shall consult with other Federal agencies which have specific expertise in energy conservation.

"(2) In determining whether the primary purpose of a proposed reconstruction or renovation is to enable such facility to meet environmental protection standards or health or safety requirements imposed under law, the Commissioner shall consult with the appropriate Federal, State or local agency responsible for the administration of such law.

"(3) In determining whether the primary purpose of a proposed reconstruction or renovation is to enable such facility to comply with the Act of August 12, 1968, the Commissioner shall consult with the Architectural and Transportation Barriers Compliance Board and the Administrator of General Services.

"(c) A loan pursuant to this section shall be repaid within such period not exceeding twenty years as may be determined by the Commissioner."

(j) Section 782 of the Act is amended—

(1) by inserting immediately before the period at the end of paragraph (1)(B) in section 782 the following: ", except that the term 'academic facilities' may include any facility described in clause (v) to the degree that such facility is owned, operated, and maintained by the institution of higher education requesting the approval of a project; and that funds available for such facility under such project shall be used solely for the purpose of conversion or modernization of energy utilization techniques

to economize on the use of energy resources; and that such project is not limited to facilities described in clause (v) of this subsection"; and

(2) by striking out paragraph (2) of such section and inserting in lieu thereof the following:

"(2)(A) The term 'construction' means (i) erection of new or expansion of existing structures, and the acquisition and installation of initial equipment therefore; or (ii) acquisition of existing structures not owned by the institution involved; or (iii) a combination of either of the foregoing. For the purposes of the preceding sentence, the term 'equipment' includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular, and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term 'initial equipment' means equipment acquired and installed in connection with construction; and the terms 'equipment', 'initial equipment', and 'built-in equipment' shall be more particularly defined by the Commissioner by regulation.

"(B) The term 'reconstruction or renovation' means rehabilitation, alteration, conversion, or improvement (including the acquisition and installation of initial equipment, or modernization or replacement of such equipment) of existing structures. For the purposes of the preceding sentence, the term 'equipment' includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term 'initial equipment' means equipment acquired and installed either in connection with construction as defined in paragraph (2)(A), or as part of the rehabilitation, alteration, conversion, or improvement of an existing structure, which structure would otherwise not be adequate for use as an academic facility; the terms 'equipment', 'initial equipment', and 'built-in equipment' shall be more particularly defined by the Commissioner by regulation; and the term 'rehabilitation, alteration, conversion, or improvement' includes such action as may be necessary to provide for the architectural needs of, or to remove architectural barriers to, handicapped persons with a view toward increasing the accessibility to, and use of, academic facilities by such persons.".

PART II—GRADUATE PROGRAMS

EXTENSION AND REVISION OF GRADUATE FELLOWSHIPS AND ASSISTANCE

SEC. 171. (a) (1) Section 901 (a) (3) is amended by striking out "clauses (2), (3), and (4)" and inserting in lieu thereof "clauses (1) and (2)".

(2) Section 901(c) of the Act is amended to read as follows:

"(c) There are authorized to be appropriated $50,000,000 for each of the fiscal years ending prior to October 1, 1979, for the purpose of this part.".

(3)(A) Section 902(b) of the Act is amended by inserting "(1)" before "sets forth", and by inserting before the period a comma and the following: "and (2) provides assurances that the institution has notified the appropriate State commission (established or designated under section 1202 of this Act) and that the State commission has been given the opportunity to offer recommendations on the application to the institution and to the Commissioner".

(B) Section 902 of the Act is amended by adding at the end thereof the following new subsection:

"(c) In considering an application under this part for a program of activities from an institution of higher education within a State, the Commissioner shall assure that consideration is given to the degree to which such program will be consistent with State, regional, or national priorities.".

(4) Section 903(b) of the Act is amended by striking out the word "and" at the end of clause (4), by striking out the period at the end of clause (5) and inserting in lieu thereof a semicolon and the word "and" and by adding at the end thereof the following new clauses:

"(6) the development of proposed graduate and professional programs; and

"(7) needed innovation in graduate and professional programs.".

(b) Part B of title IX of the Act is amended to read as follows:

"PART B—FELLOWSHIPS FOR GRADUATE AND PROFESSIONAL STUDY

"APPROPRIATIONS AUTHORIZED

"SEC. 921. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

"NUMBER OF FELLOWSHIPS

"SEC. 922. (a) During the fiscal year ending June 30, 1973, and each of the succeeding fiscal years ending prior to October 1, 1979, the Commissioner is authorized to award not to exceed seven thousand five hundred fellowships to be used for study in graduate programs at institutions of higher education. Such fellowships may be awarded for such period of study as the Commissioner may determine but not in excess of thirty-six months except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six month period set forth in this section under special circumstances which the Commissioner determines would most effectively serve the purposes of this part. The Commissioner shall make a determination to provide such twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient.

"(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this section but vacated prior to the end of the period for which they were awarded; except that each fellowship

awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

"*(c) The Commissioner may allow a fellowship recipient to interrupt his studies for a period not to exceed twelve months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program, except that the Commissioner shall make no payments to the fellowship recipient for such period for stipends, travel expenses, or allowances for dependents or payments to institutions pursuant to the recipient's fellowship award.*

"AWARD OF FELLOWSHIPS AND APPROVAL OF GRADUATE PROGRAMS

"*SEC. 923. (a) The total number of fellowships authorized by section 922(a) to be awarded during a fiscal year shall be awarded by the Commissioner on such bases as he may determine, except that recipients of such fellowships shall be individuals who have been admitted or who are enrolled in graduate or professional programs approved by the Commissioner and who are pursuing, a course of study leading to a degree of doctor of philosophy, doctor of arts, or an equivalent degree. The Commissioner shall approve a graduate program of an institution of higher education only upon his finding that the application contains satisfactory assurance that the institution will provide special orientations and practical experiences designed to prepare its fellowship recipients (1) for academic careers at some level of education beyond the high school, or (2) for other than academic careers in professional career fields of importance to the national interest, as determined by the Commissioner.*

"*(b) In determining priorities and procedures for the award of fellowships under this section the Commissioner shall—*

"*(1) take into account present and projected needs for highly trained individuals in all areas of education beyond high school,*

"*(2) take into account present and projected needs for highly trained individuals in other than academic career fields of high national priority,*

"*(3) consider the need to prepare a larger number of individuals from minority groups, especially from among such groups who have been traditionally underrepresented in colleges and universities, but nothing contained in this clause shall be interpreted to require any educational institution to grant preference or disparate treatment to the members of one minority group on account of an imbalance which may exist with respect to the total number or percentage of individuals of that group participating in or receiving the benefits of this program, in comparison with the total number of percentage of individuals of that group in any community, State, section, or other area,*

"*(4) assure that consideration in awarding fellowships under this part is given (A) to individuals who have demonstrated their competence outside of a higher education setting for at least two years subsequent to the completion of their undergraduate studies, or (B) to individuals with varied backgrounds and experiences who have acquired such backgrounds and experiences in other than academic settings,* *"(5) seek to achieve a reasonable equitable geographical distribution of graduate programs approved under this section, based upon such factors as student enrollments in institutions of higher education and population.*

"(c) No fellowship shall be awarded under this part for study at a school or department of divinity.

"FELLOWSHIP STIPENDS

"SEC. 924. (a) The Commissioner shall pay to individuals awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Commissioner shall (in addition to the stipends paid to individuals under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amounts as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount charged to a fellowship recipient and collected from such recipient by the institution for tuition and other expenses required by the institution as part of the recipient's instructional program shall be deducted from the payments to the institution under this subsection.

"FELLOWSHIP CONDITIONS

"SEC. 925. (a) An individual awarded a fellowship under the provisions of this part shall continue to receive payments provided in section 924 only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

"(b) The Commissioner is authorized to require reports containing such information in such form and to file at such times as he determines necessary from any person awarded a fellowship under the provisions of this part. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Commissioner, stating that such person is making satisfactory progress in, and is devoting essentially full time to the program for which the fellowship was awarded.".

(c)(1) Section 941 of the Act is amended to read as follows:

"AWARD OF PUBLIC SERVICE FELLOWSHIPS

"SEC. 941. (a) During the fiscal year ending June 30, 1973, and each of the succeeding fiscal years ending prior to October 1, 1979, the Commissioner is authorized to award not to exceed five hundred fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public

service. Such fellowships shall be awarded for such periods as the Commissioner may determine, but not in excess of thirty-six months except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six month period set forth in this section under special circumstances which the Commissioner determines would most effectively serve the purposes of this part. The Commissioner shall make a determination to provide such a twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient.

"(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this section but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

"(c) The Commissioner may allow a fellowship recipient to interrupt his studies for a period not to exceed twelve months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program, except that the Commissioner shall make no payments to the fellowship recipient for such period for stipend, travel expenses, or allowances for dependents or payments to institutions pursuant to the recipient's fellowship award.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.".

(2) Section 942 of the Act is amended by striking out the "and" at the end of clause (1), by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and the word "and" and by inserting at the end thereof the following new clauses:

> *"(3) attract persons other than recent college graduates to pursue a career in public service; and*
>
> *"(4) provide additional training for individuals who by past activities, occupation, or training have demonstrated a commitment to a career in public service.".*

(3)(A) Section 943(4)(A) of the Act is amended by inserting after "enter" the following: "or continue in".

(B) Section 943(4)(B) of the Act is amended by inserting after the word "enter" the following: "or continue in".

(4) Section 944(b) of the Act is amended by inserting before the period at the end thereof a comma and the following: "except that such amount charged to a fellowship recipient and collected from such recipient by the institution for tuition and other expenses required by the institution as part of the recipient's instructional program shall be deducted from the payments to the institution under this subsection.".

(d)(1) Section 961(b)(1) of the Act is amended by striking out "two" and by inserting after "fiscal years" the following: "ending prior to October 1, 1979".

(2) The third sentence of section 961(c) is amended be striking out "to exceed 3 years" and inserting in lieu thereof the following: "in excess of thirty-six months, except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six-month period set forth in this section under special circumstances which the Commissioner determines would most effectively serve the purposes of this part. The Commissioner shall make a determination to provide such a twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient".

(3) Section 961 of the Act is amended by adding at the end thereof the following new subsection:

"(d) The Commissioner may allow a fellowship recipient to interrupt his studies for a period not to exceed twelve months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program, except that the Commissioner shall make no payments to the fellowship recipient for such period for stipends, travel expenses, or allowances for dependents or payments to institutions pursuant to the recipient's fellowship award.".

(4) Section 963 of the Act is amended to read as follows:

"STIPENDS AND INSTITUTIONS OF HIGHER EDUCATION ALLOWANCES

"SEC. 963. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study, such amounts as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount charged to a fellowship recipient and collected from such recipient by the institution for tuition and other expenses required by the institution as part of the recipient's instructional program shall be deducted from the payments to the institution under this subsection.".

(5) Section 966 of the Act is amended by striking out "July 1, 1978" and inserting in lieu thereof "October 1, 1979".

(c) Title IX of the Act is amended by inserting after part D the following new part:

"PART E—ANNUAL FELLOWSHIP REPORT

"REPORT ON GRADUATE FELLOWSHIPS AND ASSISTANCE

"SEC. 971. (a) Within one hundred and twenty days after the end of each fiscal year during which grants or fellowships are awarded under the provisions of this title the Commissioner shall prepare and submit to the Congress a report which—

"(1) specifies the authority for and amount of each grant or fellowship so awarded;

"(2) identifies the institutions which received such grants; and

"(3) identifies the institutions which students receiving such fellowships attended.

"(b) Each report required by this section shall contain an evaluation which—

"(1) examines the extent to which grants or fellowships awarded under this title emphasized studies relating to—

"(A) innovation in the field of graduate education;

"(B) emerging fields of knowledge;

"(C) areas of overriding national concern; or

"(D) the education and employment of personnel in areas which the Commissioner finds to be of special need; and

"(2) examines the extent to which grants and fellowships awarded under this title made substantial progress toward achieving the purposes of the various parts of this title under which they were awarded.".

LAW SCHOOL CLINICAL ASSISTANCE PROGRAM

SEC. 172. Section 1103 of the Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

PART I—COMMUNITY COLLEGES AND STATE POSTSECONDARY PLANNING

EXTENSION AND REVISION OF TITLE X

SEC. 176. (a)(1) The heading of title X of the Act is amended to read as follows:

"TITLE X—ESTABLISHMENT AND EXPANSION
OF COMMUNITY COLLEGES".

(2) Such title is amended by striking out

"PART A—ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLEGES

"Subpart 1—Statewide Plans"

and inserting in lieu thereof:

"PART A—STATEWIDE PLANS".

(3) Section 1001(a) of the Act is amended by striking out "subpart" and inserting in lieu thereof "part".

(4) Section 1001(b)(1) of the Act is amended to read as follows:

"(b)(1) There are authorized to be appropriated $15,700,000 for each of the fiscal years ending prior to October 1, 1979, to carry out the provisions of this section.".

(5) Section 1001 of the Act is further amended by striking the last sentence of subsection (c) and inserting in lieu thereof: "The Commissioner shall not disapprove any plan unless he determines,

after reasonable notice and opportunity for hearing and comment, that it is inconsistent with the requirements set forth in this section.".

(b)(1) Such title is further amended by striking out "Subpart 2" in the heading following section 1001 and inserting in lieu thereof "Part B".

(2)(A) Section 1011(a) of the Act is amended by striking out "subpart" and inserting in lieu thereof "part".

(B) Section 1011(b) of the Act is amended to read as follows:

"(b) For the purpose of carrying out this part, there are authorized to be appropriated $150,000,000 for each of the fiscal years ending prior to October 1, 1979.".

(3) Section 1012(b) of the Act is amended by striking out "subpart" and inserting in lieu thereof "part".

(c) Part B of title X of the Act as in effect prior to the amendments made by subsection (b) of this section is repealed.

(d) The amendments made by paragraphs (1), (2), (3) of subsection (a), paragraphs (1), 2(A), (3) of subsection (b), and subsection (c) shall take effect on September 30, 1977.

EXPANSION GRANTS

SEC. 177. Section 1014 of the Act is amended to read as follows:

"EXPANSION GRANTS

"SEC. 1014. (a) The Commissioner is authorized to make grants, consistent with the terms of the appropriate State plan approved under section 1001, to existing community colleges to enable them to carry out the provisions of subsections (b) and (c) of this section. Of the funds appropriated for subpart 2 of this part, the Commissioner shall make grants pursuant to subsection (b), before making grants under any other subsection or section of this subpart, until such time as he determines all approved requests relating to subsection (b) have been funded.

"(b) The Commissioner is authorized to make grants to eligible institutions to assist them in modifying their educational programs and instructional delivery systems to provide educational programs especially suited to those persons whose educational needs have been inadequately served, especially those among the handicapped, older persons, persons who can attend only part-time, and persons who otherwise would be unlikely to continue their education beyond the high school. Such programs may include, but are not limited to, methods designed to eliminate such barriers to student access as inflexible course schedules, location of instructional programs, and inadequate transportation.

"(c) The Commissioner is also authorized to make grants to eligible institutions to assist them in expanding their enrollment capacity or in establishing new educational sites as documented in the State plan. Any grants related to facilities may only be made to institutions which have provided the Commissioner with such assurances as he requires that they have first explored the possibilities of using existing facilities on the campus of the applying institution, existing facilities in the community which are suitable and available for educa-

tional programs without unreasonable cost to the institution, and explored the willingness of other institutions within a reasonable commuting distance to provide educational programs, or space or other components of an educational delivery system, through contract or other agreement with the institution.".

REVISION OF DEFINITION OF COMMUNITY COLLEGE

Sec. 178. Paragraphs (2) and (3) of section 1018 of the Act are amended to read as follows:

> *"(2) admits as regular students persons who are high school graduates or the equivalent, or beyond the age of compulsory school attendance;*
>
> *"(3) provides a postsecondary education program leading to an associate degree or acceptable for credit toward a bachelor's degree;".*

AUTHORIZATION FOR STATEWIDE PLANNING

Sec. 179. (a) Section 1203 of the Act is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) The Commissioner is authorized to make grants to State commissions established pursuant to section 1202(a), and to interstate compact postsecondary educational agencies approved by the Commissioner for the purpose of this subsection, applying jointly for the purpose of this subsection, to enable the participating commissions to plan, develop, and carry out interstate cooperative postsecondary education projects designed to increase the accessibility of postsecondary educational opportunities for the residents of the participating States and to assist such States to carry out postsecondary education programs in a more effective and economical manner.".

(b) Section 1203(d) of the Act (as redesignated by this section) is amended to read as follows:

"(d)(1) There are authorized to be appropriated such sums for each fiscal year ending prior to October 1, 1979, to carry out the provisions of this section other than subsection (c) of this section.

"(2) There are authorized to be appropriated $2,000,000 for each fiscal year ending prior to October 1, 1979, to carry out the provisions of subsection (c) of this section.".

Part J—General Provisions

DEFINITIONS

Sec. 181. Section 1201(a) of the Act is amended by inserting immediately after the second sentence the following new sentence: "Such terms also includes a public or nonprofit private educational institution in any State which, in lieu of the requirement in clause (1), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution.".

ANTIDISCRIMINATION AMENDMENT

SEC. 182. Title XII of the Act is amended by adding at the end thereof the following new sections:

"ANTIDISCRIMINATION

"SEC. 1207. Institutions of higher education receiving Federal financial assistance may not use such financial assistance whether directly or indirectly to undertake any study or project or fulfill the terms of any contract containing an express or implied provision that any person or persons of a particular race, religion, sex, or national origin be barred from performing such study, project, or contract, except no institution shall be barred from conducting objective studies or projects concerning the nature, effects, or prevention of discrimination, or have its curriculum restricted on the subject of discrimination, against any such person.".

FUNDING REQUIREMENT

SEC. 183. Title XII of the Act is amended by adding at the end thereof (after the section added by section 182) the following new section:

"FUNDING REQUIREMENT

"SEC. 1208. (a) Except as provided in subsection (b)—

"(1) if the sum of the appropriations available for carrying out subparts 1 and 2 of part A, and parts C and E, of title IV in fiscal year 1978 equals or exceeds an amount equal to the greater of—

"(A) $2,800,000,000; or

"(B) the sum of the appropriations available for carrying out subparts 1 and 2 of part A, and parts C and E, of title IV in fiscal year 1977,

no payments, awards, or grants may be made from the portion of the funds appropriated therefor in excess of such amount unless the sum of the appropriations available for carrying out title I, part C of title VII, and title X equals or exceeds 50 per centum of such amount; and

"(2) if the sum of the appropriations available for carrying out subparts 1 and 2 of part A, and parts C and E, of title IV in fiscal year 1979 equals or exceeds an amount equal to the greater of—

"(A) $3,100,000,000; or

"(B) the sum of the appropriations available for carrying out subparts 1 and 2 of part A, and parts C and E, of title IV in fiscal year 1978,

no payments, awards, or grants may be made from the portion of the funds appropriated therefor in excess of such amount unless the sum of the appropriations available for carrying out title I, part C of title VII, and title X equals or exceeds 50 per centum of such amount.

"(b) The provisions of subsection (a) shall not be effective for any fiscal year in which the sum of the appropriations available for carrying out title I, part C of title VII, and title X equals or exceeds $215,000,000.

"(c) The provisions of section 414 of the General Education Provision Act shall not apply to the provisions of this section.".

TITLE II—VOCATIONAL EDUCATION

EXTENSION OF CERTAIN VOCATIONAL EDUCATION PROGRAMS

SEC. 201. (a) Section 102(a) of the Vocational Education Act of 1963 is amended by striking out the first sentence and inserting in lieu thereof: "There are authorized to be appropriated $500,000,000 for the fiscal year ending September 30, 1977, for the purposes of carrying out parts B and C of this title.".

(b) Section 102(b) of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: "There are also authorized to be appropriated $30,000,000 for each fiscal year ending prior to October 1, 1977 for the purpose of section 122(a)(4)(A).".

(c) The first sentence of section 102(c) of the Vocational Education Act of 1963 is amended by inserting immediately after "1975," the following: "and $40,000,000 for the fiscal year ending September 30, 1977,".

(d) Section 103(d)(2) is amended by striking out the first sentence and inserting in lieu thereof the following:

"The allotment ratios shall be promulgated by the Commissioner for each fiscal year between October 1 and December 31 of the preceding fiscal year.".

(e) Section 104(a)(4) of such Act is amended by striking out "five" and inserting in lieu thereof "seven".

(f) Section 104(a)(5) of such Act is amended by striking out "1976" and inserting in lieu thereof "1977".

(g) Section 142(a) of such Act is amended by striking out "and" after "1970,", by striking out "five" and inserting in lieu thereof "six", and by inserting immediately after "succeeding fiscal years" the following: ", and $20,000,000 for the fiscal year ending September 30, 1977".

(h) Section 151(b) of such Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1976".

(i) Section 152(a)(1) of such Act is amended by striking out "July 1, 1975," and inserting in lieu thereof "October 1, 1976".

(j) Section 153(d)(2) of such Act is amended by striking out that part thereof which follows "not exceed $5,000,000" and inserting in lieu thereof the following: "for fiscal year 1976.".

(k) The first sentence of section 161(a)(1) of such Act is amended by striking out "and" after "$35,000,000", by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1976", and by inserting immediately after "$50,000,000," the following: "and for the fiscal year ending September 30, 1977, $45,000,000,".

(l) The first sentence of section 161(c) of such Act is amended by striking out "five" and inserting in lieu thereof "seven".

(m) Section 172(a) of such Act is amended by striking out "and" after "$50,000,000,", by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1976", and by inserting immediately after "$75,000,000," the following: "and for the fiscal year ending September 30, 1977, $25,000,000,".

(n) Section 181(a) of such Act is amended by striking out "July 1, 1975," and inserting in lieu thereof "October 1, 1976, and $15,000,000 for the fiscal year ending September 30, 1977, for".

(o) Section 189(b) of such Act is amended by striking out "and" after "1969,", by striking out "July 1, 1975," and inserting in lieu thereof "October 1, 1976, and $5,000,000 for the fiscal year ending September 30, 1977,".

(p) Section 193 of such Act is amended by striking out "for the fiscal year ending June 30, 1975" and inserting in lieu thereof "for each of the fiscal years ending prior to October 1, 1976, and $10,000,000 for the fiscal year ending September 30, 1977,".

(q) Part F of title V of the Higher Education Act of 1965 is amended by adding at the end thereof a new section to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 555. There are authorized to be appropriated for the purposes of carrying out this part $25,000,000 for each of the fiscal years ending prior to October 1, 1977.".

REVISION OF THE VOCATIONAL EDUCATION ACT OF 1963

Sec. 202. (a) The Vocational Education Act of 1963 is amended to read as follows:

"TITLE I—VOCATIONAL EDUCATION

"PART A—STATE VOCATIONAL EDUCATION PROGRAMS

"DECLARATION OF PURPOSE

"Sec. 101. It is the purpose of this part to assist States in improving planning in the use of all resources available to them for vocational education and manpower training by involving a wide range of agencies and individuals concerned with education and training within the State in the development of the vocational education plans. It is also the purpose of this part to authorize Federal grants to States to assist them—

"(1) to extend, improve, and, where necessary, maintain existing programs of vocational education,

"(2) to develop new programs of vocational education,

"(3) to develop and carry out such programs of vocational education within each State so as to overcome sex discrimination and sex stereotyping in vocational education programs (including programs of homemaking), and thereby furnish equal educational opportunities in vocational education to persons of both sexes, and

"(4) to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis,

so that persons of all ages in all communities of the State, those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market, but need to upgrade their skills or learn new ones, those with special educational handicaps, and those in postsecondary schools, will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of *actual or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training.*

"*Subpart 1—General Provisions*

"*AUTHORIZATION OF APPROPRIATIONS*

"*SEC. 102. (a) There are authorized to be appropriated $880,000,000 for fiscal year 1978, $1,030,000,000 for fiscal year 1979, $1,180,000,000 for fiscal year 1980, $1,325,000 for fiscal year 1981, and $1,485,000 for fiscal year 1982, for the purpose of carrying out subparts 2 and 3 of this part.*

"*(b) There are also authorized to be appropriated $35,000,000 for fiscal year 1978, $40,000,000 for fiscal year 1979, $45,000,000 for fiscal year 1980, $50,000,000 for fiscal year 1981, and $50,000,000 for fiscal year 1982, for the purpose of carrying out subpart 4 of this part.*

"*(c) There are also authorized to be appropriated $55,000,000 for fiscal year 1978, $65,000,000 for fiscal year 1979, $75,000,000 for fiscal year 1980, $80,000,000 for fiscal year 1981, and $80,000,000 for fiscal year 1982 for the purpose of carrying out subpart 5 of this part.*

"*(d) There are also authorized to be appropriated $25,000,000 for fiscal year 1978 and for each fiscal year ending prior to October 1, 1982, for the purpose of assisting States in—*

"*(1) preparing the five-year plans required under section 107;*

"*(2) preparing the annual program plans and accountability reports, including the collection of necessary data, required to be submitted under section 108;*

"*(3) conducting the evaluations required by section 112; and*

"*(4) State administration of vocational education programs assisted under this Act.*

"*ALLOTMENTS AMONG STATES*

"*SEC. 103. (a)(1)(A) Subject to the provisions of subsection (d) of this section, from the sums appropriated pursuant to section 102(a), the Commissioner shall first reserve an amount equal to 5 per centum of such sums. From the amount so reserved, the Commissioner shall transfer an amount, not to be less than $3,000,000 but not to exceed $5,000,000 in any fiscal year, to the National Occupational Information Coordinating Committee established pursuant to section 161, and the remainder of the amount so reserved shall be used by the Commissioner for programs of national significance under subpart 2 of part B.*

"*(B)(i) From the remainder of the sums appropriated pursuant to section 102(a), the Commissioner is authorized to reserve for purposes of this subparagraph an amount approximately equivalent to the same percentage of that appropriation as the population aged fifteen to twenty-four, inclusive, which is eligible to receive educational benefits as Indians from the Bureau of Indian Affairs is to the total population of all the States aged fifteen to twenty-four, inclusive, except that such amount shall not exceed 1 per centum of such remaining appropriation.*

"*(ii) For purposes of this subparagraph, the term 'Act of April 16, 1934' means the Act entitled 'An Act authorizing the Secretary of the*

Interior to arrange with States or territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes', enacted April 16, 1934 (48 Stat. 596; 25 U.S.C. 452–457).

"(iii) The Commissioner is directed, upon the request of any Indian tribe which has contracted with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934, to enter into a contract or contracts with any tribal organization of any such Indian tribe to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the purposes of this Act, except that such contracts shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act and shall be conducted in accordance with the provisions of sections 4, 5, and 6 of the Act of April 16, 1934, which are relevant to the programs administered under this sentence. From any remaining funds reserved pursuant to division (i) of this subparagraph (B), the Commissioner is authorized to enter into an agreement with the Commissioner of the Bureau of Indian Affairs for the operation of vocational education programs authorized by this Act in institutions serving Indians described in division (i) of this subparagraph (B), and the Secretary of the Interior is authorized to receive these funds for that purpose. For the purposes of this Act, the Bureau of Indian Affairs shall be deemed to be a State board; and all the provisions of this Act shall be applicable to the Bureau as if it were a State board.

"(2) From the remainder of the sums appropriated pursuant to section 102(a) and from all of the sums appropriated pursuant to sections 102(b), (c), and (d), the Commissioner shall allot to each State for each fiscal year—

> *"(A) an amount which bears the same ratio to 50 per centum of the sums being allotted as the product of the population aged fifteen to nineteen, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;*
>
> *"(B) an amount which bears the same ratio to 20 per centum of the sums being allotted as the product of the population aged twenty to twenty-four, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;*
>
> *"(C) an amount which bears the same ratio to 15 per centum of the sums being allotted as the product of the population aged twenty-five to sixty-five, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; and*
>
> *"(D) an amount which bears the same ratio to 15 per centum of the sums being allotted as the amounts allotted to the State under subparagraphs (A), (B), and (C) for such years bears to the sum of the amounts allotted to all the States under paragraphs (A), (B), and (C) for such year.*

"(b)(1) The amount of any State's allotment under subsection (a) for any fiscal year which is less than $200,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under such subsection, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than that amount.

"(2) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the program for which such amount has been allotted shall be available, from time to time, for reallotment, on such dates during such year as the Commissioner shall fix, on the basis of criteria established by regulation, among other States, except that funds appropriated under section 102(b) may only be reallotted for the use set forth in section 140. Any amount reallotted to a State under this subsection for any fiscal year shall remain available for obligation during the next succeeding fiscal year and shall be deemed to be part of its allotment for the year in which it is obligated.

"(c)(1) The allotment ratio for any State shall be 1.00 less the product of—

"(A) 0.50; and

"(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), except that (i) the allotment ratio in no case shall be more than 0.60 or less than 0.40, and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be 0.60.

"(2) The allotment ratios shall be promulgated by the Commissioner for each fiscal year between October 1 and December 31 of the fiscal year preceding the fiscal year for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the three most recent consecutive fiscal years for which satisfactory data are available.

"(3) The term 'per capita income' means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

"(4) For the purposes of this section, population shall be determined by the Commissioner on the basis of the latest estimates available to him.

"(d) The amount of any State's allotment under this section from appropriations provided under section 102, for any fiscal year shall not be less than the total amount of payments made to the State under allotments determined under this Act for the fiscal year ending June 30, 1976.

"(e) From the sums allotted to a State under this section from appropriations made under section 102(a), 80 per centum of such sums shall be available to each State for the purpose of carrying out subpart 2 of this part and 20 per centum shall be available for the purpose of carrying out subpart 3 of this part.

"STATE ADMINISTRATION

"Sec. 104. (a) (1) Any State desiring to participate in the programs authorized by this Act shall, consistent with State law, designate or establish a State board or agency (hereinafter in this Act referred to as the 'State board') which shall be the sole State agency responsible for the administration, or for the supervision of the administration, of such programs. The responsibilities of the State board shall include—

"(A) the coordination of the development of policy with respect to such programs;

"(B) the coordination of the development, and the actual submission to the Commissioner, of the five-year State plan required by section 107 and of the annual program plan and accountability report required by section 108; and

"(C) the consultation with the State advisory council on vocational education and other appropriate State agencies, councils, and individuals involved in the planning and reporting as required by sections 107 and 108.

Except with respect to those functions set forth in the preceding sentence, the State board may delegate any of its other responsibilities involving administration, operation, or supervision, in whole or in part, to one or more appropriate State agencies.

"(2) Each State board shall certify to the Commissioner, as part of its annual program plan and accountability report submitted pursuant to section 108, any delegation of its responsibilities for administration, operation, or supervision of vocational education programs under this Act to other appropriate State agencies, setting forth the specific responsibility delegated and the specific agency involved.

"(3) Each State board shall also certify to the Commissioner, as part of its five-year plan and as part of its annual program plan and accountability report, that each of the agencies, councils, and individuals required to be involved in formulating the five-year plan and the annual plan and report have been afforded the opportunity to be involved in accordance with the provisions of this Act.

"(b) (1) Any State desiring to participate in the programs authorized by this Act shall also assign such full-time personnel as may be necessary to assist the State board in fulfilling the purposes of this Act by—

"(A) taking such action as may be necessary to create awareness of programs and activities in vocational education that are designed to reduce sex stereotyping in all vocational education programs;

"(B) gathering, analyzing, and disseminating data on the status of men and women students and employees in the vocational education programs of that State;

"(C) developing and supporting actions to correct any problems brought to the attention of such personnel through activities carried out under clause (B) of this sentence;

"(D) reviewing the distribution of grants by the State board to assure that the interests and needs of women are addressed in the projects assisted under this Act;

"(E) reviewing all vocational education programs in the State for sex bias;

"(F) monitoring the implementation of laws prohibiting sex discrimination in all hiring, firing, and promotion procedures within the State relating to vocational education;

"(G) reviewing and submitting recommendations with respect to the overcoming of sex stereotyping and sex bias in vocational education programs for the annual program plan and report;

"(H) assisting local educational agencies and other interested parties in the State in improving vocational education opportunities for women; and

"(I) making readily available to the State board, the State and National Advisory Councils on Vocational Education, the State Commission on the Status of Women, the Commissioner and the general public, information developed pursuant to this subsection.

"(2) From the funds appropriated to carry out subpart 2, each State shall reserve $50,000 in each fiscal year to carry out this subsection.

"(3) For the purpose of this subsection, the term 'State' means any one of the fifty States and the District of Columbia.

"STATE AND LOCAL ADVISORY COUNCILS

"SEC. 105. (a) Any State which desires to participate in programs under this Act for any fiscal year shall establish a State advisory council, which shall be appointed by the Governor or, in the case of States in which the members of the State board of education are elected (including election by the State legislature), by such board. Members of each State advisory council shall be appointed for terms of three years except that (1) in the case of the members appointed for fiscal year 1978, one-third of the membership shall be appointed for terms of one year each and one-third shall be appointed for terms of two years each, and (2) appointments to fill vacancies shall be for such terms as remain unexpired. Each State advisory council shall have as a majority of its members persons who are not educators or administrators in the field of education and shall include as members one or more individuals who—

"(1) represent, and are familiar with, the vocational needs and problems of management in the State;

"(2) represent, and are familiar with, the vocational needs and problems of labor in the State;

"(3) represent, and are familiar with, the vocational needs and problems of agriculture in the State;

"(4) represent State industrial and economic development agencies;

"(5) represent community and junior colleges;

"(6) represent other institutions of higher education, area vocational schools, technical institutes, and postsecondary agencies or institutions which provide programs of vocational or technical education and training;

"(7) have special knowledge, experience, or qualifications with respect to vocational education but are not involved in the administration of State or local vocational education programs;

"(8) represent, and are familiar with, public programs of vocational education in comprehensive secondary schools;

"(9) represent, and are familiar with, nonprofit private schools;

"(10) represent, and are familiar with, vocational guidance and counseling services;

"(11) represent State correctional institutions;

"(12) are vocational education teachers presently teaching in local educational agencies;

"(13) are currently serving as superintendents or other administrators of the local educational agencies;

"(14) are currently serving on local school boards;

"(15) represent the State Manpower Services Council established pursuant to section 107 of the Comprehensive Employment and Training Act of 1973;

"(16) represent school systems with large concentrations of persons who have special academic, social, economic, and cultural needs and of persons who have limited English-speaking ability;

"(17) are women with backgrounds and experiences in employment and training programs, and who are knowledgeable with respect to the special experiences and problems of sex discrimination in job training and employment and of sex stereotyping in vocational education, including women who are members of minority groups and who have, in addition to such backgrounds and experiences, special knowledge of the problems of discrimination in job training and employment against women who are members of such groups;

"(18) have special knowledge, experience, or qualifications with respect to the special educational needs of physically or mentally handicapped persons;

"(19) represent the general public, including a person or persons representing and knowledgeable about the poor and disadvantaged; and

"(20) are vocational education students who are not qualified for membership under any of the preceding clauses of this paragraph.

Members of the State advisory council may not represent more than one of the above-specified categories. In appointing the State advisory council the Governor or the State board of education, as the case may be, shall insure that there is appropriate representation of both sexes, racial and ethnic minorities, and the various geographic regions of the State.

"(b) Not less than ninety days prior to the beginning of any fiscal year in which a State desires to receive a grant under this Act, the State shall certify the establishment of, and membership of, its State advisory council to the Commissioner.

"(c) Each State advisory council shall meet within thirty days after certification has been accepted by the Commissioner and shall select from among its membership a Chairman. The time, place, and manner of meeting, as well as council operating procedures and staffing, shall be as provided by the rules of the State advisory council, except that such rules must provide for not less than one public meeting each year

at which the public is given an opportunity to express views concerning the vocational education program of the State.

"*(d)(1) Each State advisory council shall advise the State board in the development of the five-year State plan submitted under section 107 and the annual program plan and accountability report submitted under section 108 and shall advise the State board on policy matters arising out of the administration of programs under such plans and reports.*

"*(2) Each State advisory council shall also evaluate vocational education programs, services, and activities assisted under this Act and publish and distribute the results thereof.*

"*(3) Each State advisory council shall prepare and submit to the Commissioner and to the National Advisory Council created under section 162, through the State board, an annual evaluation report, accompanied by such additional comments of the State board as the State board deems appropriate, which (A) evaluates the effectiveness of vocational education programs, services, and activities carried out in the year under review in meeting the program goals set forth in the five-year State plan submitted under section 107 and the annual program plan and accountability report submitted under section 108, including a consideration of the program evaluation reports developed by the State pursuant to section 112 and of the analysis of the distribution of Federal funds within the State submitted by the State board pursuant to section 108, and (B) recommends such changes in such programs, services, and activities as may be deemed necessary.*

"*(4)(A) Each State advisory council shall identify, after consultation with the State Manpower Services Council, the vocational education and employment and training needs of the State and assess the extent to which vocational education, employment training, vocational rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and (B) comment, at least once annually, on the reports of the State Manpower Services Council, which comments shall be included in the annual report submitted by the State advisory council pursuant to this section and in the annual report submitted by the State council pursuant to section 107 of the Comprehensive Employment and Training Act of 1973.*

"*(e) Each State advisory council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable it to carry out its functions under this Act and to contract for such services as may be necessary to carry out its evaluation functions, independent of programmatic and administrative control by other State boards, agencies, and individuals.*

"*(f)(1) There are hereby authorized to be appropriated $8,000,000 for fiscal year 1978, $8,500,000 for fiscal year 1979, $9,000,000 for fiscal year 1980, $10,000,000 for fiscal year 1981, and $8,000,000 for fiscal year 1982, for the purpose of making grants to State advisory councils to carry out the functions specified in this section. From the sums appropriated pursuant to this subsection, the Commissioner shall, subject to the provisions of the following sentence, make grants to State advisory councils to carry out the functions specified in this section, and shall pay to each State advisory council an amount equal to the reasonable amounts expended by it in carrying out its functions under this Act in* *such fiscal year, except that no State advisory council shall receive an amount to exceed $200,000 or an amount less than $75,000. In the case of Guam, American Samoa, and the Trust Territory of the Pacific Islands, the Commissioner may pay the State advisory council in each such jurisdiction an amount less than the minimum specified in the preceding sentence if he determines that the council can perform its functions with a lesser amount.*

"*(2) The expenditure of these funds is to be determined solely by the State advisory council for carrying out its functions under this Act, and may not be diverted or reprogramed for any other purpose by any State board, agency or individual. Each council shall designate an appropriate State agency or other public agency, eligible to receive funds under this Act, to act as its fiscal agent for purposes of disbursement, accounting, and auditing.*

"*(g) (1) Each eligible recipient receiving assistance under this Act to operate vocational education programs shall establish a local advisory council to provide such agency with advice on current job needs and on the relevancy of courses being offered by such agency in meeting such needs. Such local advisory councils shall be composed of members of the general public, especially of representatives of business, industry, and labor; and such local advisory councils may be established for program areas, schools, communities, or regions, whichever the recipient determines best to meet the needs of that recipent.*

"*(2) Each State board shall notify eligible recipients within the State of the responsibilities of such recipients under the provisions of paragraph (1); and each State advisory council shall make available to such recipients and the local advisory councils of such recipients such technical assistance as such recipients may request to establish and operate such councils.*

"*GENERAL APPLICATION*

"*Sec. 106. (a) Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this Act shall, through its State board, submit to, and maintain on file with, the Commissioner a general application providing assurances—*

"*(1) that the State will provide for such methods of administration as are necessary for the proper and efficient administration of the Act;*

"*(2) that the State board will cooperate with the State advisory council on vocational education in carrying out its duties pursuant to section 105 and with the agencies, councils, and individuals specified in sections 107 and 108 to be involved in the formulation of the five-year State plan and of the annual program plans and accountability reports;*

"*(3) that the State will comply with any requests of the Commissioner for making such reports as the Commissioner may reasonably require to carry out his functions under this Act;*

"*(4) that funds will be distributed to eligible recipients on the basis of annual applications which—*

"*(A) have been developed in consultation (i) with representatives of the educational and training resources available in the area to be served by the applicant and (ii) with the local advisory council required to be established by this Act to assist such recipients,* *"(B)(i) describe the vocational education needs of potential students in the area or community served by the applicant and indicate how, and to what extent, the program proposed in the application will meet such needs, and (ii) describe how the findings of any evaluations of programs operated by such applicant during previous years, including those required by this Act, have been used to develop the program proposed in the application,*

"(C) describe how the activities proposed in the application relate to manpower programs conducted in the area by a prime sponsor established under the Comprehensive Employment and Training Act of 1973, if any, to assure a coordinated approach to meeting the vocational education and training needs of the area or community, and

"(D) describe the relationship between vocational education programs proposed to be conducted with funds under this Act and other programs in the area or community which are supported by State and local funds;

and that any eligible recipient dissatisfied with final action with respect to any application for funds under this Act shall be given reasonable notice and opportunity for a hearing;

"(5)(A) that the State shall, in considering the approval of such applications, give priority to those applicants which—

"(i) are located in economically depressed areas and areas with high rates of unemployment, and are unable to provide the resources necessary to meet the vocational education needs of those areas without Federal assistance, and

"(ii) propose programs which are new to the area to be served and which are designed to meet new and emerging manpower needs and job opportunities in the area and, where relevant, in the State and the Nation; and

"(B) that the State shall, in determining the amount of funds available under this Act which shall be made available to those applicants approved for funding, base such distribution on economic, social and demographic factors relating to the need for vocational education among the various populations and the various areas of the State, except that—

"(i) the State will use as the two most important factors in determining this distribution (I) in the case of local educational agencies, the relative financial ability of such agencies to provide the resources necessary to meet the need for vocational education in the areas they service and the relative number or concentration of low-income families or individuals within such agencies, and (II) in the case of other eligible recipients, the relative financial ability of such recipients to provide the resources necessary to initiate or maintain vocational education programs to meet the needs of their students and the relative number or concentration of students whom they serve whose education imposes higher than average costs, such as handicapped students, students from low-income families, and students from families in which English is not the dominant language; and

"(ii) the State will not allocate such funds among eligible recipi-

ents within the State on the basis of per capita enrollment or through matching a local expenditures on a uniform percentage basis, or deny funds to any recipient which is making a reasonable tax effort solely because such recipient is unable to pay the non-Federal share of the cost of new programs;

"*(6) that Federal funds made available under this Act will be so used as to supplement, and to the extent practicable, increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses specified in the Act, and in no case supplant such State or local funds; and*

"*(7) that the State will make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to eligible recipients under this Act);*

"*(8) that funds received under this Act will not be used for any program of vocational education (except personnel training programs under section 135, renovation programs under subpart 4 of part B, and homemaking programs under subpart 5 of this part which cannot be demonstrated to prepare students for employment, be necessary to prepare individuals for successful completion of such a program, or be of significant assistance to individuals enrolled in making an informed and meaningful occupational choice as an integral part of a program of orientation and preparation;*

"*(9) that the State has instituted policies and procedures to insure that copies of the State plan and annual program plan and accountability report and all statements of general policies, rules, regulations, and procedures issued by the State board and by any State agencies to which any responsibility is delegated by the State board concerning the administration of such plan and report will be made reasonably available to the public; and*

"*(10) that the funds used for purposes of section 110(a) are consistent with the State plan submitted pursuant to section 613 (a) of the Education of the Handicapped Act.*

"*(b) Such general application shall be considered to be the general application required to be submitted by the State for funds received under the Vocational Education Act of 1963 under the provisions of subsection (b) of section 434 of the General Education Provisions Act.*

"*FIVE-YEAR STATE PLANS*

"*SEC. 107. (a)(1) Any State desiring to receive funds under this Act shall submit to the Commissioner, during fiscal year 1977 and during each fifth fiscal year occurring thereafter, a State plan for vocational education for the five fiscal years succeeding each such fiscal year. In formulating this plan, the State board shall involve the active participation of—*

"*(A) a representative of the State agency having responsibility for secondary vocational education programs, designated by that agency;*

"(B) a representative of the State agency, if such separate agency exists, having responsibility for postsecondary vocational education programs, designated by that agency;

"(C) a representative of the State agency, if such separate agency exists, having responsibility for community and junior colleges, designated by that agency;

"(D) a representative of the State agency, if such separate agency exists, having responsibility for institutions of higher education in the State, designated by that agency;

"(E) a representative of a local school board or committee, as determined by State law;

"(F) a representative of vocational education teachers, as determined by State law;

"(G) a representative of local school administrators, as determined by State law;

"(H) a representative of the State Manpower Services Council appointed pursuant to section 107(a)(2)(A)(i) of the Comprehensive Employment and Training Act of 1973, designated by that council;

"(I) a representative of the State agency or commission responsible for comprehensive planning in postsecondary education, which planning reflects programs offered by public, private nonprofit and proprietary institutions, and includes occupational programs at a less-than-baccalaureate degree level if such separate agency or commission exists, designated by that agency or commission; and

"(J) a representative of the State advisory council on vocational education, designated by that council.

This participation shall include at least four meetings during the planning year between representatives of the State board and representatives of all of these agencies, councils, and individuals, meeting as a group. The first of these meetings shall be before the plan is developed; the second meeting shall be to consider the first draft of the plan; the third meeting shall be to consider the draft of the plan rewritten to reflect the results of the second meeting; and the fourth meeting shall be to approve the final plan. If these agencies, councils, and individuals, and the State board are not able to agree upon the provisions of the State plan, the State board shall have the responsibility for reaching a final decision on those provisions; but the State board shall include in the plan (a) the recommendations rejected by the board, (b) the agency council, or individual making each such recommendation, and (c) the reasons of the State board for rejecting these recommendations. Any agency or council described above which is dissatisfied with any final decision of the State board may appeal the board's decision to the Commissioner. In such a case the Commissioner shall afford such agency or council and the State board reasonable notice and opportunity for a hearing and shall determine whether the State board's decision is supported by substantial evidence, as shown in the State plan, and will best carry out the purposes of the Act. Any agency or State board dissatisfied with a final action of the Commissioner under this subsection may appeal to the United States Court of Appeals for the circuit in which the State is located in ac-

cordance with the procedure specified in section 434(d)(2) of the General Education Provisions Act.

"(2) The State board shall, during the years in which it formulates any five-year plan required under this section, conduct a series of public hearings, after giving sufficient public notice, throughout all regions of the State in order to permit all segments of the population to give their views on the goals which ought to be adopted in the State plan, including the courses to be offered, the allocations of responsibility for these courses among the various levels of education and among the various institutions of the States, and the allocations of local, State, and Federal resources to meet those goals. These views shall be included in the final State plan with a description of how such views are reflected in the plan; and if particular views are not reflected, then the plan shall set out the reasons for rejecting them.

"(b) The five-year State plans shall be submitted to the Commissioner by the July 1st preceding the beginning of the first fiscal year for which such plan is to take effect and shall—

"(1) assess the current and future needs for job skills within the State and, where appropriate, within the pertinent region of the country, through consideration of the latest available data of present and projected employment, including the data available under section 161;

"(2) set out explicitly the goals the State will seek to achieve by the end of the five-year period of the State plan in meeting the need for particular job skills identified through the assessment undertaken in accordance with paragraph (1), including (A) a description of these goals in terms of—

"(i) the courses and other training opportunities to be offered to achieve those skills,

"(ii) the projected enrollments of those courses and other training opportunities,

"(iii) the allocations of responsibility for the offering of those courses and training opportunities among the various levels of education and among the various institutions of the State, and

"(iv) the allocations of all local, State, and Federal financial resources available in the State among these courses and training opportunities, levels of education, and institutions within the State,

and (B) the reasons for choosing these courses and training opportunities, enrollments, allocations of responsibilities, and allocations of resources;

"(3)(A) set out explicitly the planned uses of Federal, State, and local vocational education funds for each fiscal year of the State plan and show how these uses will enable the State to achieve these goals, including (i) a description of these uses of funds in terms of the elements listed in clauses (2)(A)(i) through (2)(A)(iv) above, and (ii) the reasons for choosing these particular uses, except that the State will continue to use approximately the same amount of its State grant under subpart 2 of this part for programs in secondary schools during fiscal years 1978 and 1979 as it had used during fiscal years 1975 and 1976 unless the State is

able to demonstrate in its five-year plan the need to shift funds from such use;

"*(B) (i) set out explicitly the uses which the State intends to make of the funds available to it under this Act, as those uses are set out in sections 120, 130, 140, and 150, and set out the reasons for choosing such uses; and (ii) set out explicitly the uses which the State intends to make of these funds to meet the special needs of handicapped and disadvantaged persons and persons who have limited English-speaking ability;*

"*(4) (A) set forth policies and procedures which the State will follow so as to assure equal access to vocational education programs by both women and men including—*

"*(i) a detailed description of such policies and procedures,*

"*(ii) actions to be taken to overcome sex discrimination and sex stereotyping in all State and local vocational education programs, and*

"*(iii) incentives, to be provided to eligible recipients so that such recipients will—*

"*(I) encourage the enrollment of both women and men in nontraditional courses of study, and*

"*(II) develop model programs to reduce sex stereotyping in all occupations; and*

"*(B) set forth a program to assess and meet the needs of persons described in section 120(b) (1) (L) which shall provide for (i) special courses for such persons in learning how to seek employment, and (ii) placement services for such graduates of vocational education programs and courses; and*

"*(5) set out criteria which have been developed for coordinating manpower training programs conducted by prime sponsors established under the Comprehensive Employment and Training Act of 1973 with vocational education programs assisted under this Act and for coordinating such vocational education programs with such manpower training programs.*

"*ANNUAL PROGRAM PLANS AND ACCOUNTABILITY REPORTS*

"*SEC. 108. (a) (1) Any State desiring to receive funds under this Act shall submit to the Commissioner an annual program plan and accountability report for each of the fiscal years included in the five-year State plan. In formulating this plan and report, the State board shall involve the active participation of the agencies, councils, and individuals who are required to be involved in formulating the five-year State plan as described in section 107. This participation shall include at least three meetings during each fiscal year between representatives of the State board and representatives of all of these agencies, councils, and individuals, meeting as a group. The first of these meetings shall be before the plan and report is developed; the second meeting shall be to consider the draft of the plan and report; and the third meeting shall be to approve the final plan and report. If these agencies, councils, and individuals, and the State board are not able to have the same responsibility for reaching a final decision on those provisions as it has for reaching a final decision on the five-year State plan* *under section 107; and the same requirements shall be applicable concerning inclusion of rejected recommendations, appeal of the board's decision to the Commissioner, and judicial review as are applicable to the five-year State plan under section 107*

"(*2*) *The State board shall, during each fiscal year, conduct a public hearing, after giving sufficient public notice, on the annual planning and accountability report in order to permit all segments of the population to give their views on the provisions of the plan and report. These views shall be included in the final plan and report with a description of how such views are reflected in the plan and report; and if particular views are not reflected, then the plan and report shall set out the reasons for rejecting them.*

"(*b*) *The annual program plan and accountability report shall be submitted to the Commissioner by the July 1st preceding the beginning of the fiscal year for which the plan is to be effective. This plan and report shall contain:*

"(*1*) *planning provisions which—*

"(*A*) *set out any updating of the five-year State plan deemed necessary to reflect later or more accurate employment data or a different level of funding than was anticipated;*

"(*B*) (*i*) *set out explicitly how the State during that fiscal year will comply with the uses of Federal, State, and local funds proposed for that fiscal year in the five-year plan, including a description of these uses in terms of the elements listed in clauses* (*2*) (*A*) (*i*) *through* (*2*) (*A*) (*iv*) *of section 107, and describe how these uses of funds may differ from those propsed in the five-year plan and give the reasons for any such changes;*

"(*ii*) *set out explicitly the uses which the State intends to make of the funds available to it under this Act for that fiscal year, as those uses are set out in sections 120, 130, 140, and 150, and describe how those uses may differ from the uses proposed in the five-year plan and give the reasons for any such changes, and set out explicitly the proposed distribution of such funds among eligible recipients, together with an analysis of the manner in which such distribution complies with the assurance given in the general application under section 106*(*a*) (*5*) *relating to the distribution of Federal funds; and*

"(*C*) *show the results of the—*

"(*i*) *coordination of programs funded under this Act with manpower training programs and of manpower training programs with programs funded under this Act;*

"(*ii*) *compliance of the State plan with the provision contained in section 107*(*b*) (*4*) (*A*) *concerning providing equal access to programs by both men and women; and*

"(*iii*) *participation of local advisory councils required to be established under section 105*(*g*)*; and*

"(*2*) *reporting provisions which—*

"*(A) show explicitly the extent to which the State during the fiscal year preceding the submission of the plan and report has achieved the goals of the five-year plan and the degree to which the uses of Federal, State, and local funds proposed for that fiscal year in the plan have been complied with, including a description of these goals and uses in terms of the elements listed in clause (2)(A)(i) through (2)(A)(iv) of section 107(b);*

"*(B) show explicitly how funds available under this Act have been used during that fiscal year, including a description of the uses of these funds among the authorized uses of funds set out in sections 120, 130, 140, and 150, and including a description of the distribution of these funds among local educational agencies and other eligible recipients in conformity with the requirements contained in section 106(a)(5), and give the results achieved with these funds; and*

"*(C) contain a summary of the evaluations of programs required to be conducted by section 112 and a description of how the information from these evaluations has been, or is being, used by the State board to improve its programs.*

"*SUBMISSION OF PLANS; WITHHOLDING AND JUDICIAL REVIEW*

"*SEC. 109. (a)(1) The Commissioner shall not approve a five-year State plan submitted under section 107 until he has made specific findings, in writing, as to the compliance of such plan with the provisions of this Act and he is satisfied that adequate procedures are set forth to insure that the assurances of the general application submitted under section 106 and the provisions of the State plan will be carried out.*

"*(2) The Commissioner shall not approve an annual program plan and accountability report submitted under section 108 until he has made specific findings, in writing, as to the compliance of such plan and report with the provisions of this Act, he is satisfied that adequate procedures are set forth to insure that the assurances of the general application submitted under section 107 are being carried out, and he is satisfied that the annual plan and report shows progress in achieving the goals set forth in the five-year State plan.*

"*(3)(A) In carrying out the provisions of this subsection, the Commissioner shall provide for appropriate review of each State's five-year plan and annual program plan and report by the various agencies administering programs within the Office of Education related to the vocational education programs being proposed under the State plan or the program plan and report.*

"*(B) In carrying out the provisions of this subsection, the Commissioner shall not approve a State plan or annual program plan and report until he has received assurances that the personnel assigned to review programs within the State to assure equal access by both men and women under the provisions of section 104(b) have been afforded the opportunity to review the plan or program plan and report.*

"*(C) In carrying out the provisions of this subsection, the Commissioner shall not approve a State plan or annual program plan and report unless the State has complied in compiling this plan or program plan and report with the nationally uniform definitions and* *information elements which have been developed pursuant to section 161.*

"(b)(1) The Commissioner shall not finally disapprove any State plan or program plan and report submitted under this Act, or any modification thereof, without first affording the State board submitting the plan or program plan and report reasonable notice and opportunity for a hearing.

"(2) The Commissioner shall not disapprove any plan or program plan and report submitted under this Act solely on the basis of the distribution of State and local expenditures for vocational education.

"(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State board, finds that—

> *"(1) the State plan or program plan and report has been so changed that it no longer complies with the provisions of this Act, or*
>
> *"(2) in the administration of the plan or program plan and report there is a failure to comply substantially with any such provision,*

the Commissioner shall notify such State board that no further payments will be made to the State under this Act (or, in his discretion, further payments to the State will be limited to programs under or portions of the State plan or program plan and report not affected by such failure) until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such State under this Act (or shall limit payments to programs under, or portions of, the State plan or program plan and report not affected by such failure).

"(d) A State board which is dissatisfied with a final action of the Commissioner under this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set aside such action, in whole or in part, temporarily or permanently, but until the filing of the record the Commissioner may modify or set aside his action. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fatc and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

"*(e)(1) If any eligible recipient is dissatisfied with the final action of the State board or other appropriate State administering agency with respect to approval of an application by such eligible recipient for a grant pursuant to this Act, such eligible recipient may, within sixty days after such final action or notice thereof, whichever is later, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the State board or other appropriate State administering agency. The State board or such other agency thereupon shall file in the court the record of the proceedings on which the State board or such other agency based its action, as provided in section 2112 of title 28, United States Code.*

"*(2) The findings of fact by the State board or other appropriate administering agency, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the State board or other such agency to take further evidence, and the State board or such other agency may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings.*

"*(3) The court shall have jurisdiction to affirm the action of the State board or other appropriate administering agency or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.*

"*(f)(1) The Commissioner shall prescribe and implement rules to assure that any hearing conducted under section 434(c) of the General Education Provisions Act in connection with funds made available from appropriations under this Act shall be held within the State of the affected unit of local government or geographic area within the State.*

"*(2) For the purposes of paragraph (1)—*

"*(A) the term 'unit of local government' means a county, municipality, town, township, village, or other unit of general government below the State level; and*

"*(B) the term 'geographic area within a State' means a special purpose district or other region recognized for governmental purposes within such State which is not a unit of local government.*

"*NATIONAL PRIORITY PROGRAMS*

"*SEC. 110 (a) For each fiscal year, at least 10 per centum of each State's allotment under section 103 shall be used to pay 50 per centum of the cost of vocational education for handicapped persons.*

"*(b)(1) For each fiscal year, at least 20 per centum of each State's allotment under section 103 shal be used to pay 50 per centum of the cost of vocational education for disadvantaged persons (other than handicapped persons), for persons who have limited English-speaking ability, and for providing stipends authorized under section 120(b)(1)(G).*

"*(2) From the funds used by a State pursuant to paragraph (1), each State shall use an amount equivalent to the same percentage of the funds reserved pursuant to that paragraph as the population aged fifteen to twenty-four, inclusive having limited English-speaking* *ability is to the total population of the State aged fifteen to twenty-four, inclusive, for providing vocational education for such persons with limited English-speaking ability, except that such amount shall not exceed the full sum used pursuant to paragraph (1).*

"*(c) For each fiscal year, at least 15 per centum of each State's allotment under section 103 shall be used to pay 50 per centum of the cost of vocational education for (1) persons who have completed or left high school and who are enrolled in organized programs of study for which credit is given toward an associate or other degree, but which programs are not designed as baccalaureate or higher degree programs, and (2) persons who have already entered the labor market, or are unemployed, or who have completed or left high school and who are not described in paragraph (1).*

"*(d) Each State shall use, to the maximum extent possible, the funds required to be used for the purposes specified in subsections (a) and (b) to assist individuals described in those subsections to participate in regular vocational education programs.*

"*PAYMENTS TO STATES*

"*SEC 111. (a)(1) The Commissioner shall pay, from the amount available to each State for grants under this part (except subpart 5) to eligible recipients, an amount equal to—*

"*(A) 50 per centum of the cost of carrying out its annual program plan as approved pursuant to section 109, other than programs and activities for persons described in section 110;*

"*(B) 50 per centum of the cost of vocational education programs for persons with special needs described in section 110(a), (b), and (c); and*

"*(C) 100 per centum of the cost of vocational education programs described in sections 122(f), 133(b), and 140;*

except that in the case of the Trust Territory of the Pacific Islands and American Samoa, such amount shall be equal to 100 per centum of such expenditures.

"*(2)(A) In addition, the Commissioner shall pay, from the amount available to each State for administration of State plans appropriated under section 102(d), an amount equal to the Federal share of the cost of administration of such plan.*

"*(B) For the purpose of this paragraph, the Federal share for any fiscal year shall be 50 per centum, except that (1) for fiscal year 1978 it shall be 80 per centum and for fiscal year 1979 it shall be 60 per centum, and (2) whenever the Commissioner determines in exceptional circumstances that for the fiscal year preceding fiscal year 1978 State and local expenditures for vocational education in a State exceed ten times the Federal expenditure for vocational education in that State, and that the State has an appropriate, economic, and efficient State administration of the program, the Commissioner shall set the Federal share for fiscal year 1978 for that State in excess of the Federal share specified in clause (1), but not to exceed 100 per centum.*

"*(b)(1) No payments shall be made in any fiscal year under this Act to any local educational agency or to any State unless the Commissioner finds, in the case of a local educational agency, that the combined fiscal effort per student or the aggregate expenditures of that agency* *and the State with respect to the provision of vocational education by that agency for the fiscal year preceding the fiscal year for which the determination was made was not less than such combined fiscal effort per student or the aggregate expenditures for that purpose for the second preceding fiscal year or, in the case of a State, that the fiscal effort per student or the aggregate expenditures of that State for vocational education in that State for the fiscal year preceding the fiscal year for which the determination was made was not less than such fiscal effort per student or the aggregate expenditures for vocational education for the second preceding fiscal year.*

"(2) *No payments shall be made in any fiscal year under this Act to any postsecondary educational institution unless the Commissioner finds that the aggregate amount or the amount per student spent by such institution from current funds for vocational education purposes for the fiscal year preceding the fiscal year for which the determination was made was not less that such amount spent by such institution from current funds for the second preceding fiscal year.*

"*FEDERAL AND STATE EVALUATIONS*

"*SEC. 112.* (*a*) *In order for the Federal government to assist the States in operating the best possible programs of vocational education—*

"(*1*) *the Commissioner shall within four months of the receipt of a State's annual program plan and accountability report transmit to that State board an analysis of such plan and report, including suggestions for improvements in the State's programs and findings contained in any program or fiscal audits performed in that State pursuant to paragraph* (*2*); *and*

"(*2*) *the Bureau of Occupational and Adult Education shall, in at least ten States a fiscal year during the period beginning October 1, 1977, and ending September 30, 1982, conduct a review analyzing the strengths and weaknesses of the programs assisted with funds available under this Act within those States; and the Department of Health, Education, and Welfare shall, in the same period, conduct fiscal audits of such programs within those States.*

"(*b*)(*1*) *In order for the States to assist local educational agencies and other recipients of funds in operating the best possible programs of vocational education—*

"(*A*) *each State shall, during the five-year period of the State plan, evaluate the effectiveness of each program within the State being assisted with funds available under this Act; and the results of these evaluations shall be used to revise the State's programs, and shall be made readily available to the State advisory council; and*

"(*B*) *each State shall evaluate, by using data collected, wherever possible, by statistically valid sampling techniques, each such program within the State which purports to impart entry level job skills according to the extent to which program completers and leavers—*

"(*i*) *find employment in occupations related to their training, and*

"(*ii*) *are considered by their employers to be well-trained and prepared for employment,* "except that in no case can pursuit of additional education or training by program completers or leavers be considered negatively in these evaluations.

"(2) Each State, in formulating its plans to fulfill these requirements, shall annually consult with the State advisory council which shall assist the State in developing these plans, monitor the evaluations conducted by the State, and use the results of these evaluations in compiling its annual report required by section 105.

"(c) The Commissioner shall prepare and submit annually to the Congress, within nine months of the termination of each fiscal year, a report on the status of vocational education in the country during that fiscal year. This report shall include data on the information elements developed in the national vocational education data reporting and accounting system and an analysis of such data, and a summary of the findings of the reviews and audits required by paragraph (2) of subsection (a) and of the evaluations performed pursuant to paragraphs (1) and (2) of subsection (b).

"Subpart 2—Basic Grant

"AUTHORIZATION OF GRANTS AND USES OF FUNDS

"Sec. 120. (a) From the sums made available for grants under this subpart pursuant to section 103, the Commissioner is authorized to make grants to States to assist them in conducting vocational education programs in accordance with the requirements of this subpart.

"(b)(1) Grants to States under this subpart may be used, in accordance with five-year State plans and annual program plans approved pursuant to section 109, for the following purposes:

"(A) vocational education programs;

"(B) work study programs as described in section 121;

"(C) cooperative vocational education programs as described in section 122;

"(D) energy education programs as described in section 123;

"(E) construction of area vocational education school facilities;

"(F) support of full-time personnel to perform the duties described in section 104(b);

"(G) the provision of stipends, subject to the restriction contained in paragraph (2), which shall not exceed reasonable amounts, as prescribed by the Commissioner pursuant to regulations, for students entering or already enrolled in vocational education programs, if those students have acute economic needs which cannot be met under work-study programs;

"(H) placement services for students who have successfully completed vocational education programs, subject to the restriction contained in paragraph (2);

"(I) industrial arts programs where such programs will assist in meeting the purposes of this Act;

"(J) support services for women who enter programs designed to prepare individuals for employment in jobs which have been traditionally limited to men, including counseling as to the nature of such programs and the difficulties which may be encountered by women in such programs, and job development and job follow-up services;

"(*K*) *day care services for children of students in secondary and postsecondary vocational education programs;*

"(*L*) *vocational education for—*

"(*i*) *persons who had solely been homemakers but who now, because of dissolution of marriage, must seek employment;*

"(*ii*) *persons who are single heads of households and who lack adequate job skills;*

"(*iii*) *persons who are currently homemakers and part-time workers but who wish to secure a full-time job; and*

"(*iv*) *women who are now in jobs which have been traditionally considered jobs for females and who wish to seek employment in job areas which have not been traditionally considered for job areas for females, and men who are now in jobs which have been traditionally considered jobs for males and who wish to seek employment in job areas which have not been traditionally considered job areas for males; and*

"(*M*) *construction and operation of residential vocational schools as described in section 124.*

"(*2*) *No funds shall be used for the purposes specified in subparagraph* (*G*) *or* (*H*) *of paragraph* (*1*) *unless the State board first makes a specific finding in each instance of funding that the funding of this particular activity is necessary due to inadequate funding in other programs providing similar activities or due to the fact that other services in the area are inadequate to meet the needs.*

"WORK STUDY PROGRAMS

"*SEC. 121.* (*a*) *Funds available to the States under section 120 may be used for grants to local educational agencies for work-study programs which—*

"(*1*) *are administered by the local educational agencies and are made reasonably available* (*to the extent of available funds*) *to all youths in the area served by such agency who are able to meet the requirements of paragraph* (*2*);

"(*2*) *provide that employment under such work-study programs shall be furnished only to a student who* (*A*) *has been accepted for enrollment as a full-time student in a vocational education program which meets the standards prescribed by the State board and the local educational agency for vocational education programs assisted under this Act, or in the case of a student already enrolled in such a program, is in good standing and in full-time attendance,* (*B*) *is in need of the earnings from such employment to commence or continue his vocational education program, and* (*C*) *is at least fifteen years of age and less than twenty-one years of age at the commencement of his employment, and is capable, in the opinion of the appropriate school authorities, of maintaining good standing in his vocational education program while employed under the work-study program;*

"(*3*) *provide that, pursuant to regulations of the Commissioner, no student shall be employed under such work-study program for more than a reasonable number of hours in any week in which classes in which he is enrolled are in session, or for com-*

pensation which exceeds payments under comparable Federal programs, unless the student is attending a school that is not within a reasonable commuting distance from his home, when the compensation may be set by the Commissioner at a higher level;

"*(4) provide that employment under such work-study program shall be for the local educational agency or for some other public or nonprofit private agency or institution; and*

"*(5) provide that, in each fiscal year during which such program remains in effect, such agency shall expend (from sources other than payments from Federal funds under this section) for the employment of its students (whether or not in employment eligible for assistance under this section) an amount that is not less than its average annual expenditure for work-study programs of a similar character during the three fiscal years preceding the fiscal year in which its work-study program under this section is approved.*

"*(b) Each State in operating work-study programs from funds made available under section 120 shall—*

"*(1) adopt policies and procedures which assure that Federal funds used for this purpose will be expended solely for the payment or compensation of students employed pursuant to the work-study programs meeting the requirements of subsection (a); and*

"*(2) set forth principles for determining the priority to be accorded applications from local educational agencies for work-study programs, which principles shall give preference to applications submitted by local educational agencies serving communities having substantial numbers of youths who have dropped out of school or who are unemployed, and provide for undertaking such programs, insofar as financial resources available therefore make possible, in the order determined by the application of such principles.*

"*(c) Students employed in work-study programs assisted pursuant to this section shall not by reason of such employment be deemed employees of the United States, or their service Federal service, for any reason.*

"*COOPERATIVE VOCATIONAL EDUCATION PROGRAMS*

"*SEC. 122. Funds available to the States under section 120 may be used for establishing or expanding cooperative vocational education programs through local educational agencies with the participation of public and private employers. Such programs shall include provisions assuring that—*

"*(a) funds will be used only for developing and operating cooperative vocational programs as defined in section 195(18) which provide training opportunities that may not otherwise be available and which are designed to serve persons who can benefit from such programs;*

"*(b) necessary procedures are established for cooperation with employment agencies, labor groups, employers, and other community agencies in identifying suitable jobs for persons who enroll in cooperative vocational education programs;*

"*(c) provision is made, where necessary, for reimbursement of added costs to employers for on-the-job training of students* *enrolled in cooperative programs, provided such on-the-job training is related to existing career opportunities susceptible of promotion and advancement and which do not displace other workers who perform such work;*

"*(d) ancillary services and activities to assure quality in cooperative vocational education programs are provided for, such as preservice and inservice training for teacher coordinators, supervision, curriculum materials, travel of students and coordinators necessary to the success of such programs, and evaluation;*

"*(e) priority for funding cooperative vocational education programs through local educational agencies is given to areas that have high rates of school dropouts and youth unemployment;*

"*(f) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served, whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students;*

"*(g) Federal funds used for the purposes of this section will not be commingled with State or local funds; and*

"*(h) such accounting, evaluation, and followup procedures as the Commissioner deems necessary will be provided.*

"*ENERGY EDUCATION*

"*SEC. 123. (a)(1) Funds available to States under section 120 may be used to make grants to postsecondary educational institutions to carry out programs for the training of miners, supervisors, technicians (particularly safety personnel), and environmentalists in the field of coal mining and coal mining technology, including acquisition of equipment necessary for the conduct of such program.*

"*(2) Grants made under this section shall be made pursuant to applications which describe with particularity a program for the training of miners, supervisors, and technicians in the field of coal mining and coal mining technology, including provision for supplementary demonstration projects or short-term seminars, which program may include such curriculums as (A) the extraction, preparation, and transportation of coal, (B) the reclamation of coal mined land, (C) the strengthening of health and safety programs for coal mine employees, (D) the disposal of coal mine wastes, and (E) the chemical and physical analysis of coal and materials, such as water and soil, that are involved in the coal mining process.*

"*(b) Funds available under section 120 may also be used to make grants to postsecondary educational institutions to carry out programs for the training of individuals needed for the installation of solar energy equipment, including training necessary for the installation of glass paneled solar collectors and of wind energy generators, and for the installation of other related applications of solar energy.*

"*RESIDENTIAL VOCATIONAL SCHOOLS*

"*SEC. 124. (a) Funds available to the States under section 120 may be used for the construction, equipment, and operation of residential schools to provide vocational education (including room,* *board, and other necessities) for youths, at least fifteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In using funds available under section 120 for this purpose, the States shall give special consideration to the needs of large urban areas and isolated rural areas having substantial numbers of youths who have dropped out of school or who are unemployed.*

"*(b) No funds made available under section 120 may be used for the purposes of this section for residential vocational schools to which juveniles are assigned as the result of their delinquent conduct or in which the students are segregated because of race.*

"*Subpart 3—Program Improvement and Supportive Services*

"AUTHORIZATION OF GRANTS AND USES OF FUNDS

"*Sec. 130. (a) From the sums made available for grants under this subpart pursuant to section 103 the Commissioner is authorized to make grants to States to assist them in improving their vocational education programs and in providing supportive services for such programs in accordance with the provisions of this subpart.*

"*(b) Grants to States under this subpart may be used, in accordance with five-year State plans, and annual program plans approved pursuant to section 109, for the following purposes:*

"*(1) research programs as described in section 131;*

"*(2) exemplary and innovative programs as described in section 132;*

"*(3) curriculum development programs as described in section 133;*

"*(4) provision of guidance and counseling services, programs, and activities as described in section 134;*

"*(5) provision of pre-service and in-service training as described in section 135; and*

"*(6) grants to overcome sex bias as described in section 136.*

"RESEARCH

"*Sec. 131. (a) Funds available to the States under section 130(a) may be used for support of State research coordination units and for contracts by those units pursuant to comprehensive plans of program improvement involving—*

"*(1) applied research and development in vocational education;*

"*(2) experimental, developmental, and pilot programs and projects designed to test the effectiveness of research findings, including programs and projects to overcome problems of sex bias and sex stereotyping;*

"*(3) improved curriculum materials for presently funded programs in vocational education and new curriculum materials for new and energing job fields, including a review and revision of any curricula developed under this section to insure that such curricula do not reflect stereotypes based on sex, race, or national origin;*

"(4) projects in the development of new careers and occupations, such as—

"(A) research and experimental projects designed to identify new careers in such fields as mental and physical health, crime prevention and correction, welfare, education, municipal services, child care, and recreation, requiring less training than professional positions, and to delineate within such career roles with the potential for advancement from one level to another;

"(B) training and development projects designed to demonstrate improved methods of securing the involvement, cooperation, and commitment of both the public and private sectors toward the end of achieving greater coordination and more effective implementation of programs for the employment of persons in the fields described in subparagraph (A), including programs to prepare professionals (including administrators) to work effectively with aides; and

"(C) projects to evaluate the operation of programs for the training, development, and utilization of public service aides, particularly their effectiveness in providing satisfactory work experiences and in meeting public needs;

and

"(5) dissemination of the results of the contracts made pursuant to paragraphs (1) through (4), including employment of persons to act as disseminators, on a local level, of these results.

"(b) No contract shall be made pursuant to subsection (a) unless the applicant can demonstrate a reasonable probability that the contract will result in improved teaching techniques or curriculum materials that will be used in a substantial number of classrooms or other learning situations within five years after the termination date of such contract.

"EXEMPLARY AND INNOVATIVE PROGRAMS

"Sec. 132. (a) Funds available to the States under section 130(a) may be used for contracts, as part of the comprehensive plans of program improvement mentioned in section 131(a), for the support of exemplary and innovative programs, including—

"(1) programs designed to develop high quality vocational education programs for urban centers with high concentrations of economically disadvantaged individuals, unskilled workers, and unemployed individuals;

"(2) programs designed to develop training opportunities for persons in sparsely populated rural areas and for individuals migrating from farms to urban areas;

"(3) programs of effective vocational education for individuals with limited English-speaking ability;

"(4) establishment of cooperative arrangements between public education and manpower agencies, designed to correlate vocational education opportunities with current and projected needs of the labor market; and

"(5) programs designed to broaden occupational aspirations

and opportunities for youth, with special emphasis given to youth who have academic, socioeconomic, or other handicaps, including—

"(*A*) *programs and projects designed to familiarize elementary and secondary school students with the broad range of occupations for which special skills are required, and the requisites for careers in such occupations; and*

"(*B*) *programs and projects to facilitate the participation of employers and labor organizations in postsecondary vocational education.*

"(*b*) *Every contract made by a State for the purpose of funding exemplary and innovative projects shall give priority to programs and projects designed to reduce sex stereotyping in vocational education and shall. to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provide for the participation of such students; and such contract shall also provide that the Federal funds will not be commingled with State or local funds.*

"(*c*) *The annual program plan and accountability report covering the final year of financial support by the State for any such program or project shall indicate the proposed disposition of the program or project following the cessation of Federal support and the means by which successful or promising programs or projects will be continued and expanded within the State.*

"*CURRICULUM DEVELOPMENT*

"*Sec. 133.* (*a*) *Funds available to the States under section 130*(*a*) *may be used for contracts for the support of curriculum development projects, including—*

"(*1*) *the development and dissemination of vocational education curriculum materials for new and changing occupational fields and for individuals with special needs, as described in section 110; and*

"(*2*) *the development of curriculum and guidance and testing materials designed to overcome sex bias in vocational education programs, and support services designed to enable teachers to meet the needs of individuals enrolled in vocational education programs traditionally limited to members of the opposite sex,*

"(*b*) *No contract shall be made pursuant to subsection* (*a*) *unless the applicant can demonstrate a reasonable probability that the contract will result in improved teaching techniques or curriculum materials that will be used in a substantial number of classrooms or other learning situations within five years after the termination date of such contract.*

"*VOCATIONAL GUIDANCE AND COUNSELING*

"*Sec. 134.* (*a*) *Not less than 20 per centum of the funds available to the States under section 130*(*a*) *shall be used to support programs for vocational development guidance and counseling programs and services which, subject to the provisions of subsection* (*b*), *shall include—*

"(*1*) *initiation, implementation, and improvement of high quality vocational guidance and counseling programs and activities;*

"*(2) vocational counseling for children, youth, and adults, leading to a greater understanding of educational and vocational options;*

"*(3) provision of educational and job placement services, including programs to prepare individuals for professional occupations or occupations requiring a baccalaureate or higher degree, including followup services;*

"*(4) vocational guidance and counseling training designed to acquaint guidance counselors with (A) the changing work patterns of women, (B) ways of effectively overcoming occupational sex stereotyping, and (C) ways of assisting girls and women in selecting careers solely on their occupational needs and interests, and to develop improved career counseling materials which are free;*

"*(5) vocational and educational counseling for youth offenders and adults in correctional institutions;*

"*(6) vocational guidance and counseling for persons of limited English-speaking ability;*

"*(7) establishment of vocational resource centers to meet the special needs of out-of-school individuals, including individuals seeking second careers, individuals entering the job market late in life, handicapped individuals, individuals from economically depressed communities or areas, and early retirees; and*

"*(8) leadership for vocational guidance and exploration programs at the local level.*

"*(b) Each State which chooses to fund activities described in paragraphs (1) or (2) of subsection (a) of this section shall use those funds, insofar as is practicable, for funding programs, services, or activities by eligible recipients which bring individuals with experience in business and industry, the professions, and other occupational pursuits into schools as counselors or advisors for students, and which bring students into the work establishments of business and industry, the professions, and other occupational pursuits for the purpose of acquainting students with the nature of the work that is accomplished therein, and for funding projects of such recipients in which guidance counselors obtain experience in business and industry, the professions, and other occupational pursuits which will better enable those counselors to carry out their guidance and counseling duties.*

"*VOCATIONAL EDUCATION PERSONNEL TRAINING*

"*SEC. 135. (a) Funds available to the States under section 130(a) may be used to support programs or projects designed to improve the qualifications of persons serving or preparing to serve in vocational education programs, including teachers, administrators, supervisors, and vocational guidance and counseling personnel, including programs or projects—*

"*(1) to train or retrain teachers, and supervisors and trainers of teachers, in vocational education in new and emerging occupations;*

"*(2) which provide in-service training for vocational education teachers and other staff members, to improve the quality of instruction, supervision, and administration of vocational education pro-*

grams, and to overcome sex bias in vocational education programs;

"(3) which provide for exchange of vocational education teachers and other personnel with skilled workers or supervisors in business, industry, and agriculture (including mutual arrangements for preserving employment and retirement status and other employment benefits during the period of exchange), and the development and operation of cooperative programs involving periods of teaching in schools providing vocational education and of experience in commercial, industrial, or other public or private employment related to the subject matter taught in such school;

"(4) to prepare journeymen in the skilled trades or occupations for teaching positions;

"(5) to train and to provide in-service training for teachers and supervisors and trainers of teachers in vocational education to improve the quality of instruction, supervision, and administration of vocational education for persons with limited English-speaking ability and to train or retrain counseling and guidance personnel to meet the special needs of persons with limited English-speaking ability; and

"(6) which provide short-term or regular-session institutes designed to improve the qualifications of persons entering or reentering the field of vocational education in new and emerging occupational areas in which there is a need for such personnel.

"(b) A State may include in the terms of any grant or contract under this section provisions authorizing the payment, to persons participating in the training programs supported under this section, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as the Comissioner may determine, pursuant to regulations, consistent with prevailing practices under comparable programs.

"GRANTS TO ASSIST IN OVERCOMING SEX BIAS

"SPECIAL FUNDS FOR THE DISADVANTAGED

"Sec. 136. Funds available to the States under section 130(a) may be used to support activities which show promise of overcoming sex stereotyping and bias in vocational education.

"Subpart 4—Special Programs for the Disadvantaged

"Sec. 140. (a) From the sums made available for grants under this subpart pursuant to sections 102 and 103, the Commissioner is authorized to make grants to States to assist them in conducting special programs for the disadvantaged (as defined in section 195(16)) in accordance with the requirements of this subpart.

"(b)(1) Grants to States under this subpart shall be used, in accordance with five-year State plans and annual program plans approved pursuant to section 109, for allocation within the State to areas of high concentrations of youth unemployment and school dropouts, and shall be used to pay the full cost of vocational education for disadvantaged persons.

"(2) Such funds may be granted to eligible recipients only if (A) to the extent consistent with the number of students enrolled in non-

profit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students, and (B) effective policies and procedures have been adopted which assure that Federal funds made available under this subpart to accommodate students in nonprofit private schools will not be commingled with State or local funds.

"*Subpart 5—Consumer and Homemaking Education*

"CONSUMER AND HOMEMAKING EDUCATION

"*Sec. 150. (a) From the sums made available for grants under this subpart pursuant to sections 102 and 103, the Commissioner is authorized to make grants to States to assist them in conducting consumer and homemaking education programs.*

"*(b) Grants to States under this subpart may be used, in accordance with five-year State plans and annual program plans approved pursuant to section 109, solely for (1) educational programs in consumer and homemaking education consisting of instructional programs, services, and activities at all educational levels for the occupations of homemaking including but not limited to, consumer education, food and nutrition, family living and parenthood education, child development and guidance, housing and home management (including resource management), and clothing and textiles which (A) encourage participation of both males and females to prepare for combining the roles of homemakers and wage earners; (B) encourage elimination of sex stereotyping in consumer and homemaking education by promoting the development of curriculum materials which deal (i) with increased numbers of women working outside the home, and increased numbers of men assuming homemaking responsibilities and the changing career patterns for women and men and (ii) with appropriate Federal and State laws relating to equal opportunity in education and employment; (C) give greater consideration to economic, social, and cultural conditions and needs especially in economically depressed areas and such courses may include where appropriate bilingual instructions; (D) encourage outreach programs in communities for youth and adults giving considerations to special needs such as, but not limited to, aged, young children, school-age parents, single parents, handicapped persons, educationally disadvantaged persons, and programs connected with health care delivery systems, and programs providing services for courts and correctional institutions; (E) prepare males and females who have entered or are preparing to enter the work of the home; (F) emphasize consumer education, management of resources, promotion of nutritional knowledge and food use, and parenthood education to meet the current societal needs, and (2) ancillary services, activities and other means of assuring quality in all homemaking education programs such as teacher training and supervision, curriculum development, research, program evaluation, special demonstration, and experimental programs, development of instructional materials, exemplary projects, provision of equipment, and State administration and leadership.*

"*(c) Notwithstanding the provisions contained in section 111(a), from a State's allotment determined under section 103 for any fiscal year from the funds appropriated pursuant to section 102(c), the Commissioner shall pay to such State an amount equal to 50 per centum of* *the amount expended for the purposes set forth in subsection (b), except that the Commissioner shall pay an amount to each State equal to 90 per centum of the amount used in areas described in subsection (d).*

"(d) At least one-third of the Federal funds made available under this section to each State shall be used in economically depressed areas or areas with high rates of unemployment for programs designed to assist consumers and to help improve home environments and the quality of family life.

"PART B—NATIONAL PROGRAMS

"Subpart 1—General Provisions

"FEDERAL ADMINISTRATION

"SEC. 160. (a) There is established in the United States Office of Education a Bureau of Occupational and Adult Education (hereinafter in this Act referred to as the 'Bureau'), which shall be responsible for (1) the administration of all the programs authorized by this Act and the Adult Education Act, (2) functions of the Office of Education relating to manpower training and development, (3) functions of that Office relating to postsecondary vocational, technical, and occupational training funded under this Act, (4) the admiinstration of any other Act of Congress vesting authority in the Commissioner for vocational, occupational, and adult education, and (5) the administration of those portions of any Act of Congress relating to career education which are relevant to the purposes of other Acts of Congress administered by the Bureau.

"(b)(1) The Bureau shall be headed by a person (appointed or designated by the Commissioner) who is highly qualified in the fields of vocational, technical, and occupational education, who is accorded the rank of Deputy Commissioner, and who shall be compensated at the rate specified for grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

"(2) Additional positions are created for, and shall be assigned to, the Bureau as follows:

"(A) three positions to be placed in grade 17 of such General Schedule, one of which shall be filled by a person with broad experience in the field of junior and community college education,

"(B) seven positions to be placed in grade 16 of such General Schedule, at least two of which shall be filled by persons with broad experience in the field of postsecondary-occupational education in community and junior colleges, at least one of which shall be filled by a person with broad experience in education in private proprietary institutions, and at least one of which shall be filled by a person with professional experience in occupational guidance and counseling, and

"(C) three positions which shall be filled by persons at least one of whom is a skilled worker in a recognized occupation, another is a subprofessional technician in one of the branches of engineering, and the other is a subprofessional worker in one of

the branches of social or medical services, who shall serve as senior advisers in the administration of the programs in the Bureau.

"*(3) The Commissioner shall assign to the Bureau, by the end of fiscal year 1978, at least 50 per centum more persons to directly administer the programs authorized under this Act than were assigned to directly administer this Act during fiscal year 1976.*

"*VOCATIONAL EDUCATION DATA AND OCCUPATIONAL INFORMATION DATA SYSTEMS*

"*SEC. 161. (a)(1) The Commissioner and the Administrator of the National Center for Education Statistics shall, by September 30, 1977, jointly develop information elements and uniform definitions for a national vocational education data reporting and accounting system. This system shall include information resulting from the evaluations required to be conducted by section 112 (as such section will be in effect on October 1, 1977) and other information on vocational—*

"*(A) students (including information on their race and sex),*
"*(B) programs,*
"*(C) program completers and leavers,*
"*(D) staff,*
"*(E) facilities, and*
"*(F) expenditures.*

"*(2) In developing this system, the Commissioner and the Administrator shall endeavor as much as possible to make the system compatible with the occupational information data system developed pursuant to subsection (b) and other information systems involving data on programs assisted under the Comprehensive Employment and Training Act of 1973.*

"*(3)(A) After the completion of the development of these information elements and uniform definitions pursuant to paragraph (1), the Administrator shall immediately begin to design, implement, and operate this information system which shall be in full operation for the fiscal year beginning October 1, 1977.*

"*(B) Any State receiving assistance under this Act shall cooperate with the Administrator in supplying the information required to be submitted by the Administrator and shall comply in its reports with the information elements and definitions developed jointly by the Administrator and the Commissioner pursuant to paragraph (1). Each State shall submit this data to the Administrator in whatever form he requires; and, whenever possible, this reporting shall include reporting of data by labor market areas within the State.*

"*(4) The Administrator shall have the responsibility for updating this national vocational education information and accounting system and for preparing annual acquisition plans of data for operating this system. These plans shall be submitted to the Commissioner for his review and comment.*

"*(b)(1) There is hereby established a National Occupational Information Coordinating Committee which shall consist of the Commissioner, the Administrator, the Commissioner of Labor Statistics, and the Assistant Secretary for Employment and Training. This*

Committee, with funds available to it under section 103(a) (as such section will be in effect on October 1, 1977), shall—

"(A) in the use of program data and employment data, improve coordination between, and communication among, administrators and planners of programs authorized by this Act and by the Comprehensive Employment and Training Act of 1973, employment security agency administrators, research personnel, and employment and training planning and administering agencies at the Federal, State, and local levels;

"(B) develop and implement, by September 30, 1977, an occupational information system to meet the common occupational information needs of vocational education programs and employment and training programs at the national, State, and local levels, which system shall include data on occupational demand and supply based on uniform definitions, standardized estimating procedures, and standardized occupational classifications; and

"(C) assist State occupational information coordinating committees established pursuant to paragraph (2).

"(2) By September 30, 1977, each State receiving assistance under this Act and under the Comprehensive Employment and Training Act of 1973 shall establish a State occupational information coordinating committee composed of representatives of the State board, the State employment security agency, the State Manpower Services Council, and the agency administering the vocational rehabilitation program. This committee shall, with funds available to it from the National Coordinating Committee established pursuant to paragraph (1), implement an occupational information system in the State which will meet the common needs for the planning for, and the operation of, programs of the State board assisted under this Act and of the administering agencies under the Comprehensive Employment and Training Act of 1973.

"NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION

"Sec. 162. (a) The National Advisory Council on Vocational Education, established pursuant to section 104(a) of the Vocational Education Act of 1963, in effect prior to the enactment of the Education Amendments of 1976, shall continue to exist during the period for which appropriations are authorized under this Act. Individuals who are members of the Council on the date of the enactment of this Act may continue to serve for the terms for which they were appointed. Members appointed to succeed such individuals shall be appointed by the President for terms of three years. The Council shall consist of twenty-one members, each of whom shall be designated as representing one of the categories set forth in the following sentence. The National Advisory Council shall include individuals—

"(1) representative of labor and management, including persons who have knowledge of semiskilled, skilled, and technical employment;

"(2) representative of new and emerging occupational fields;

"(3) knowledgeable in the field of vocational guidance and counseling;

"*(4) representing the National Commission for Manpower Policy created pursuant to title V of the Comprehensive Employment and Training Act of 1973;*

"*(5) representing nonprofit private schools;*

"*(6) who are women with backgrounds and experiences in employment and training programs, who are knowledgeable with respect to problems of sex discrimination in job training and in employment, including women who are members of minority groups and who have, in addition to such backgrounds and experiences, special knowledge of the problems of discrimination in job training and employment against women who are members of such groups;*

"*(7) knowledgeable about the administration of State and local vocational education programs, including members of school boards and private institutions;*

"*(8) experienced in the education and training of handicapped persons and of persons of limited English-speaking ability (as defined in section 703(a) of the Elementary and Secondary Education Act of 1965);*

"*(9) familiar with the special problems and needs of individuals disadvantaged by their socioeconomic backgrounds;*

"*(10) having special knowledge of postsecondary and adult vocational education programs;*

"*(11) familiar with the special problems of individuals in correctional institutions; and*

"*(12) representative of the general public who are not Federal employees, including parents and students, except that they must not be representative of categories (1) through (11), and who shall constitute not less than one-third of the total membership.*

"*The National Council shall have as a majority of its members persons who are not educators or administrators in the field of education. In appointing the National Advisory Council, the President shall insure that there is appropriate representation of both sexes, racial and ethnic minorities, and the various geographic regions of the country. The President shall select the chairman. The National Advisory Council shall meet at the call of the Chairman, but not less than four times a year.*

"*(b) The National Advisory Council shall—*

"*(1) advise the President, Congress, Secretary, and Commissioner concerning the administration of, preparation of general regulations and budget requests for, and operation of, vocational education programs supported with assistance under this Act;*

"*(2) review the administration and operation of vocational education programs under this Act, and other pertinent laws affecting vocational education and manpower training (including the effectiveness of such programs in meeting the purposes for which they are established and operated), make recommendations with respect thereto, and make annual reports of its findings and recomendations (including recommendations for changes in the provisions of this Act and such other pertinent laws) to the President, Congress, Secretary, and Commissioner;*

"*(3) make such other reports or recommendations to the President, Congress, Secretary, Commissioner, or head of any other Federal department or agency as it may deem desirable;*

"*(4)(A) identify, after consultation with the National Commission for Manpower Policy, the vocational education and employment and training needs of the Nation and assess the extent to which vocational education, employment training, vocational rehabilitation, and other programs under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and (B) comment, at least once annually, on the reports of the National Commission, which comments shall be included in one of the reports submitted by the National Advisory Council pursuant to this section and in one of the reports submitted by the National Commission pursuant to section 505 of the Comprehensive Employment and Training Act of 1973;*

"*(5) conduct such studies, hearings, or other activities as it deems necessary to enable it to formulate appropriate recommendations;*

"*(6) conduct independent evaluations of programs carried out under this Act and publish and distribute the results thereof; and*

"*(7) provide technical assistance and leadership to State advisory councils established pursuant to section 105, in order to assist them in carrying out their responsibilities under this Act.*

"*(c) There are authorized to be appropriated $450,000 for the fiscal year ending September 30, 1978, $475,000 for the fiscal year ending September 30, 1979, and $500,000 for each of the fiscal years ending prior to September 30, 1982 for the purposes of this paragraph. The Council is authorized to use the funds appropriated pursuant to the preceding sentence to carry out its functions as set forth in this section and to engage such technical assistance as may be required to assist it in performing these functions.*

"*Subpart 2—Programs of National Significance*

"*PROGRAM IMPROVEMENT*

"*SEC. 171. (a) Funds reserved to the Commissioner under section 103 for programs under this part shall be used primarily for contracts, and in some cases for grants, for—*

"*(1) activities authorized by sections 131, 132, 133, 134, 135, and 136, if such activities are deemed to be of national significance by the Commissioner;*

"*(2) support of a national center for research in vocational education, chosen once every five years, which center shall be a nonprofit agency, shall be assisted by an advisory committee appointed by the Commissioner, shall have such locations, including contracts with one or more regional research centers, as shall be determined by the Commissioner after consultation with the national center and its advisory committee taking into consideration the vocational education research resources available, geographical area to be served and the schools, programs, projects and areas to be served by research activities, and shall, either directly or through other public agencies—*

"(A) conduct applied research and development on problems of national significance in vocational education;

"(B) provide leadership development through an advanced study center and inservice education activities for State and local leaders in vocational education;

"(C) disseminate the results of the research and development projects funded by the center;

"(D) develop and provide information to facilitate national planning and policy development in vocational education;

"(E)(i) act as a clearinghouse for information on contracts made by the States pursuant to section 131, section 132, and section 133 and on contracts made by the Commissioner pursuant to this section; and (ii) compile an annotated bibliography of research, exemplary and innovative program projects, and curriculum development projects assisted with funds made available under this Act since July 1, 1970; and

"(F) work with States, local educational agencies, and other public agencies in developing methods of evaluating programs, including the follow-up studies of program completers and leavers required by section 112, so that these agencies can offer job training programs which are more closely related to the types of jobs available in their communities, regions, and States; and

"(3) training and development programs as described in section 172.

"(b)(1) The Commissioner shall not make a grant pursuant to paragraph (1) of subsection (a) unless the applicant can demonstrate a reasonable probability that such grant will result in improved teaching techniques or curriculum materials that will be used in a substantial number of classrooms or other learning situations within five years after the termination date of such grant.

"(2) Every contract made by the Commissioner for the purpose of funding exemplary and innovative projects pursuant to paragraph (1) of subsection (a) shall, to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the project involved is to meet, provide for the participation of such students; and such contract shall also provide that the Federal funds will not be commingled with State or local funds.

"(3) The Commissioner shall, from the funds made available to him under this section, make contracts to convert to use in local educational agencies, in private nonprofit schools, and in other public agencies, curriculum materials involving job preparation which have been prepared for use by the armed services of the United States.

"(4) There is hereby established a Coordinating Committee on Research in Vocational Education within the Education Division of the Department of Health, Education, and Welfare which shall be composed of the Director of the National Institute of Education, the Commissioner, and the Director of the Fund for the Improvement of Postsecondary Education, or their representatives. This Committee shall—

"*(A) develop a plan for each fiscal year (i) establishing national priorities for the use of funds available to these agencies for vocational education research, career education research, education and work research, development, exemplary and innovative program projects, and curriculum development projects; and (ii) coordinating the efforts of these agencies in seeking to achieve these national priorities in order to avoid duplication of effort; and*

"*(B) develop an effective management information system on the projects funded pursuant to this plan in order to achieve the best possible monitoring and evaluation of these projects and the widest possible dissemination of their results.*

"*(5) (A) From the sums reserved to the Commissioner under section 103 for this part, the Commissioner may pay all or part of the costs of contracts and grants authorized by this section.*

"*(B) Funds reserved for contracts and grants under this section shall be available for expenditure until expended, unles a law is enacted in specific restriction of this subsection; and these funds may be used for contracts and grants for a period not to exceed three fiscal years.*

"*TRAINING AND DEVELOPMENT PROGRAMS FOR VOCATIONAL EDUCATION PERSONNEL*

"*SEC. 172. (a) From funds available to him under section 103, the Commissioner shall provide (1) opportunities for experienced vocational educators to spend full time in advanced study of vocational education for a period not to exceed three years in length; (2) opportunities for certified teachers who have been trained to teach in other fields to become vocational educators, if those teachers have skills and experience in vocational fields for which they can be trained to be vocational educators; and (3) opportunities for persons in industry who have skills and experience in vocational fields for which there is a need for vocational educators, but who do not necessarily have baccalaureate degrees, to become vocational educators.*

"*(b) (1) In order to meet the needs in all States for qualified vocational education personnel (such as administrators, supervisors, teacher educators, researchers, guidance and counseling personnel, and instructors in vocational education programs) the Commissioner shall make available leadership development awards in accordance with the provisions of this subsection only upon his determination that—*

"*(A) persons selected for awards have had not less than two years of experience in vocational education or in industrial training, or military technical training; or, in the case of researchers, experience in social science research which is applicable to vocational education;*

"*(B) persons receiving such awards are currently employed or are reasonably assured of employment in vocational education and have successfully completed, as a minimum, a baccalaureate degree program; and*

"*(C) persons selected are recommended by their employer, or others, as having leadership potential in the field of vocational education and are eligible for admission as a graduate student to* *a program of higher education approved by the Commission under paragraph (2).*

"(2) (A) The Commissioner shall, for a period not to exceed three years, pay to persons selected for leadership development awards such stipends (including such allowances or subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(B) The Commissioner shall, in addition to the stipends paid to persons under subparagraph (A), pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with the prevailing practices under comparable federally supported programs not to exceed the equivalent of $4,500 per person per academic year or its equivalent, and $1,000 per person per summer session or its equivalent, but any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection. Any funds from grants received under this paragraph which remain after deducting normal tuition fees, and deposits attributable to such students, shall be used by the institution receiving such funds for the purpose of improving the program of vocational education offered by that institution.

"(3) The Commissioner shall approve the vocational education leadership development program of an institution of higher education only upon finding that—

> *"(A) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, guidance and counseling, research, and curriculum development;*
>
> *"(B) such program is designed to further substantially the objective of improving vocational education through providing opportunities for graduate training of vocational education teachers, supervisors, and administrators, and of university level vocational education teacher educators and researchers; and*
>
> *"(C) such programs are conducted by a school of graduate study in the institution of higher education.*

"(4) In order to meet the needs for qualified vocational education personnel such as teachers, administrators, supervisors, and teacher educators, in vocational education programs in all the States, the Commissioner in carrying out this section shall apportion leadership development awards equitably among the States, taking into account such factors as the State's vocational education enrollments, and the incidence of youth unemployment and school dropouts in the State.

"(5) Persons receiving leadership awards under the provisions of this subsection shall continue to receive the payments provided in paragraph (3) only during such periods as the Commissioner finds that they are maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field of vocational education in an institution of higher education, and are not engaging in gainful employment, other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

"*(6) From the funds reserved to the Commissioner pursuant to section 103 for this part, the Commissioner shall make awards meeting the requirements of paragraphs (1) through (5) of this subsection.*

"*(7) In approving training and development programs for vocational education personnel, the Commissioner shall give special consideration to programs which are designed to familiarize awardees with new curricular materials in vocational education.*

"*(8) For purposes of this subsection, the term 'institution of higher education' means any such institution as defined under section 1201(a) of the Higher Education Act of 1965.*

"*(c)(1) In order to meet the need to provide adequate numbers of teachers and related classroom instructors in vocational education and in order to take full advantage of the education which has been provided to already certified teachers who are unable to find employment in their fields of training and of individuals employed in industry who have skills and experiences in vocational fields, the Commissioner shall make available fellowships in accordance with the provisions of this subsection to such individuals upon his determination that—*

> "*(A) individuals selected for such fellowships are presently certified, or had been so certified within the last ten years, by a State as teachers in elementary and secondary schools or in community and junior colleges, and have past or current skills and experiences in vocational fields for which they can be trained to be vocational educators; or*
>
> "*(B) individuals selected for such fellowships are individuals employed in industry (who need not be baccalaureate degree holders) who have skills and experiences in vocational fields for which there is a need for vocational educators, and that individuals receiving such awards have been accepted by a teacher training institution in a program to assist those persons in gaining the skills to become a vocational educator.*

"*(2)(A) The Commissioner shall, for a period not to exceed two years, pay to persons selected for fellowships under this subsection stipends (including such allowances for subsistence and other expenses for such person and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.*

"*(B) The Commissioner shall, in addition to the stipends paid to persons under paragraph (1), pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with the prevailing practices under comparable federally supported programs not to exceed the equivalent of $4,500 per person per academic year or its equivalent, and $1,000 per person per summer session or its equivalent, but any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection. Any funds from grants received under this paragraph which remain after deducting normal tuition, fees, and deposits attributable to such students, shall be used by the institution receiving such funds for the purpose of improving the program of vocational education offered by that institution.*

"*(3) The Commissioner shall approve the program at an institution of higher education which has as its purpose assisting certified teachers or assisting persons from industry in becoming vocational education teachers only upon finding that—*

"*(A) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, guidance and counseling, research, and curriculum development; and*

"*(B) such program is available to persons receiving these fellowships so that they can receive the same type of education and training being offered in the institution for undergraduate students who are preparing to become vocational education teachers.*

"*(4) In order to meet the needs for qualified vocational education teachers in vocational education programs in all the States, the Commissioner in carrying out this subsection shall apportion fellowships equitably among the States, taking into account such factors as the State's vocational education enrollments, and the incidence of youth unemployment and school dropouts in the State.*

"*(5) Persons receiving fellowships under the provisions of this subsection shall continue to receive the payments provided in paragraph (2) only during such periods as the Commissioner finds that they are maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field of vocational education in an institution of higher education, and are not engaging in gainful employment, other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.*

"*(6) From the funds reserved to the Commissioner pursuant to section 103 for this part, the Commissioner shall make awards meeting the requirements of paragraphs (1) through (5) of this subsection.*

"*(7) In carrying out this subsection, the Commissioner shall, before the beginning of each fiscal year, publish a listing of the areas of teaching in vocational education which are presently in need of additional personnel and of the areas which will have need of additional personnel in the future; and the Commissioner shall, in making the fellowships under the authority of this subsection, grant these fellowships, to the maximum degree possible, to persons who are seeking to become teachers in the areas identified by the Commissioner as needing additional teachers.*

"*Subpart 3—Bilingual Vocational Training*

"*STATEMENT OF FINDINGS*

"*SEC. 181. The Congress hereby finds that one of the most acute problems in the United States is that which involves millions of citizens, both children and adults, whose efforts to profit from vocational education are severely restricted by their limited English-speaking ability because they came from environments where the dominant language is other than English; that such persons are therefore unable to help to fill the critical need for more and better educated personnel in vital occupational categories; and that such persons are unable to make their maximum contribution to the Nation's economy and must, in fact, suffer the hardships of unemployment or underemployment. The Congress further finds that there is a critical short-*

age of instructors possessing both the job knowledge and skills and the dual language capabilities required for adequate vocational instruction of such language-handicapped persons and to prepare such persons to perform adequately in a work environment requiring English language skills, and a corresponding shortage of instructional materials and of instructional methods and techniques suitable for such instruction.

"*GENERAL RESPONSIBILITIES OF THE COMMISSIONER*

"*Sec. 182. (a) The Commissioner and the Secretary of Labor together shall—*

"*(1) develop and disseminate accurate information on the status of bilingual vocational training in all parts of the United States;*

"*(2) evaluate the impact of such bilingual vocational training on the shortages of well-trained personnel, the unemployment or underemployment of persons with limited English-speaking ability, and the ability of such persons to acquire sufficient job skills and English language skills to contribute fully to the economy of the United States; and*

"*(3) report their findings annually to the President and the Congress.*

"*(b) The Commissioner shall consult with the Secretary of Labor with respect to the administration of this part. Regulations and guidelines promulgated by the Commissioner to carry out this part shall be consistent with those promulgated by the Secretary of Labor pursuant to section 301(b) of the Comprehensive Employment and Training Act of 1973 and shall be approved by the Secretary of Labor before issuance.*

"*AUTHORIZATION OF APPROPRIATIONS*

"*Sec. 183. There are authorized to be appropriated $60,000,000 for the fiscal year ending September 30, 1978, $70,000,000 for the fiscal year ending September 30, 1979, $80,000,000 for the fiscal year ending September 30, 1980, $90,000,000 for the fiscal year ending September 30, 1981, and $80,000,000 for the fiscal year ending September 30, 1982, to carry out the provisions of sections 184, 186, and 188 of this part, except that 65 per centum of such amounts shall be available only for grants and contracts under section 184, 25 per centum shall be available only for grants and contracts under section 186, and 10 per centum shall be available only for grants and contracts under section 188.*

"*AUTHORIZATION OF GRANTS*

"*Sec. 184. (a) From the sums made available for grants under this section pursuant to section 183, the Commissioner is authorized to make grants to and enter into contracts with appropriate State agencies, local educational agencies, postsecondary education institutions, private nonprofit vocational training institutions, and to other nonprofit organizations especially created to serve a group whose language as normally used is other than English in supplying training in recognized occupations and in new and emerging occupations, which shall include instruction in the English language designed to insure that* *participants in the training will be assisted to pursue such occupations in environments where English is the language normally used, and to enter into contracts with private for-profit agencies and organizations, to assist them in conducting bilingual vocational training programs for persons of all ages in all communities of the United States which are designed to insure that vocational training programs are available to all individuals who desire and need such bilingual vocational education.*

"*(b) The Commissioner shall pay to each applicant which has an application approved under section 189B an amount equal to the total sums expended by the applicant for the purposes described in section 185 and set forth in that application.*

"*USE OF FEDERAL FUNDS*

"*SEC. 185. Grants and contracts under section 184 may be used, in accordance with applications approved under section 189B, for—*

"*(1) bilingual vocational training programs for persons who have completed or left elementary or secondary school and who are available for education by a postsecondary educational institution;*

"*(2) bilingual vocational training programs for persons who have already entered the labor market and who desire or need training or retraining to achieve year-round employment, adjust to changing manpower needs, expand their range of skills, or advance in employment; and*

"*(3) training allowances for participants in bilingual vocational training programs subject to the same conditions and limitations as are set forth in section 111 of the Comprehensive Employment and Training Act of 1973.*

"*AUTHORIZATION OF GRANTS FOR INSTRUCTOR TRAINING PROGRAMS*

"*SEC. 186. (a) From the sums made available for grants and contracts under this section pursuant to section 183, the Commissioner is authorized to make grants to and enter into contracts with States, or educational institutions, either public or private, to assist them in conducting training for instructors of bilingual vocational training programs, and whenever the Commissioner determines that it will contribute to carrying out the purposes of this part, to make grants to, and enter into contracts with, States or educational institutions either public or private, to assist them in conducting training for instructors in bilingual vocational education programs.*

"*(b) The Commissioner shall pay to each applicant which has an application approved under section 189B an amount equal to the total sums expended by the applicant for the purposes described in section 187 and set forth in that application.*

"*USE OF FEDERAL FUNDS*

"*SEC. 187. Grants and contracts under section 186 may be used, in accordance with applications approved under section 189B, for—*

"*(1) providing preservice training designed to prepare persons to participate in bilingual vocational training or vocational edu-*

cation programs as instructors, aides, or other ancillary personnel such a counselors, and inservice and development programs designed to enable such personnel to continue to improve their qualifications while participating in such programs; and

"(2) fellowships or traineeships for persons engaged in such preservice or inservice training.

"AUTHORIZATION OF GRANTS FOR DEVELOPMENT OF INSTRUCTIONAL MATERIALS, METHODS, AND TECHNIQUES

"SEC. 188. (a) From the sums made available for grants and contracts under this section pursuant to section 183, the Commissioner is authorized to make grants and enter into contracts with States, public and private educational institutions, and to other appropriate nonprofit organizations, and to enter into contracts with private for-profit individuals and organizations, to assist them in developing instructional material, methods, or techniques for bilingual vocational training.

"(b) The Commissioner shall pay to each applicant which has an application approved under section 189B an amount equal to the total sums expended by the applicant for the purposes described in section 189 and set forth in that application.

"USE OF FEDERAL FUNDS

"SEC. 189. Grants and contracts under section 188 may be used, in accordance with applications approved under section 189B, for—

"(1) research in bilingual vocational training;

"(2) training programs designed to familiarize State agencies and training institutions with research findings and successful pilot and demonstration projects in bilingual vocational training;

"(3) experimental, developmental, and pilot programs and projects designed to test the effectiveness of research findings; and

"(4) other demonstration and dissemination projects.

"APPLICATIONS

"SEC. 189A. (a) A grant or contract for assistance under this part may be made only upon application to the Commissioner at such time, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. Each such application shall—

"(1) provide that the activities and services for which assistance under this part is sought will be administered by or under the supervision of the applicant;

"(2)(A) in the case of assistance under section 184, set forth a program for carrying out the purposes described in section 185,

"(B) in the case of assistance under section 186, set forth a program for carrying out the purposes described in section 187, and

"(C) in the case of assistance under section 188, set forth a program for carrying out the purposes described in section 189;

"(3) *in the case of assistance under section 184, set forth a program of such size, scope, and design as will make a substantial contribution toward carrying out the purposes of this part;*

"(4) *in the case of assistance under section 186—*

"(A) *describe the capabilities of the applicant institution, including a listing of the vocational training or vocational education courses offered by that institution, together with appropriate accreditation by regional or national associations, if any, and approval by appropriate State agencies of the course offered,*

"(B) *set forth the qualifications of the principal staff who will be responsible for the training program, and*

"(C) *contain a statement of the minimum qualifications of the persons to be enrolled in the training program, a description of the selection process for such persons, and the amounts of the fellowships or traineeships, if any, to be granted to persons so enrolled; and*

"(5) *in the case of assistance under section 188, set forth the qualifications of the staff who will be responsible for the program for which assistance is sought.*

"(b) *No grant or contract may be made under section 184 directly to a local educational agency or a postsecondary educational institution or a private vocational training institution or any other eligible agency or organization unless that agency, institution, or organization has submitted the application to the State board established under section 104 of this Act, or in the case of a State that does not have such a board, the similar State agency, for comment and includes the comment of that board or agency with the application.*

"APPLICATION APPROVAL BY THE COMMISSIONER

"*Sec. 189B.* (a) *The Commissioner may approve an application for assistance under this subpart only if—*

"(1) *the application meets the requirements set forth in subsection* (a) *of the previous section;*

"(2) *in the case of an application submitted for assistance under section 184 to an agency, institution, or organization other than the State board established under section 104 of this Act, the requirement of subsection* (b) *of the previous section is met;*

"(3) *in the case of an application submitted for assistance under section 184 or section 186 the Commissioner determines that the program is consistent with criteria established by him, where feasible, after consultation with the State board established under section 104 of this Act, for achieving equitable distribution of assistance under this subpart within that State; and*

"(4) *in the case of an application submitted for assistance under section 186 the Commissioner determines that the applicant institution actually has an ongoing vocational training program in the field for which persons are being trained; and that the applicant institution can provide instructors with adequate language capabilities in the* *language other than English to be used in the bilingual job training program for which the persons are being trained.*

"*(b) An amendment to an application shall, except as the Commissioner may otherwise provide, be subject to approval in the same manner as the original application.*

"*Subpart 4—Emergency Assistance for Remodeling and Renovation of Vocational Education Facilities*

"*PURPOSE*

"*SEC. 191. It is the purpose of this part to provide emergency assistance, for a limited period of time, to local educational agencies in urban and rural areas which are unable to provide vocational education designed to meet today's manpower needs due to the age of their vocational education facilities or the obsolete nature of the equipment used for vocational training, in order to assist such agencies in the modernization of facilities and equipment and the conversion of academic facilities necessary to assure that such facilities will be able to offer vocational education programs which give reasonable promise of employment, including the remodeling and renovation of such facilities to make the facilities comply with the requirements of the Act of August 2, 1968, commonly known as the Architectural Barriers Act of 1968.*

"*AUTHORIZATION OF APPROPRIATIONS*

"*SEC. 192. There are authorized to be appropriated $25,000,000 for fiscal year 1978, $50,000,000 for fiscal year 1979, $75,000,000 for fiscal year 1980, and $100,000,000 for fiscal year 1981, to carry out the purpose of this part.*

"*APPLICATIONS*

"*SEC. 193. (a) Any local educational agency desiring to receive assistance under this subpart shall submit to the Commissioner, through its State board, an application therefor, which application shall set forth—*

"*(1) a description of the facility to be remodeled or renovated, including the date of construction of such facility and the extent of reconstruction necessary to enable such facility to provide a modern program of vocational education;*

"*(2) a description of the equipment to be replaced or modernized with the assistance of funds made available under this subpart;*

"*(3) a description of the extent to which the modernization or conversion of facilities and equipment, if assisted with funds made available under this subpart, would be consistent with, and further the goals of, the five-year State plan developed pursuant to section 107;*

"*(4) the financial ability of the local educational agency to undertake such modernization without Federal assistance;*

"*(5) assurances that the facility to be remodeled or renovated will meet standards adopted pursuant to the Act of August 12, 1968;*

"*(6) the extent of State and local funds available to match Federal funds made available under this subpart, together with the sources and amounts of such funds;*

"*(7) such other information as the State board determines to be appropriate; and*

"*(8) such other information as the Commissioner may require by regulation.*

"*(b) In approving applications submitted under this subpart, the Commissioner shall apply only the following criteria:*

"*(1) the need for such assistance, taking into account such factors as—*

"*(A) the age and obsolescence of the facilities and equipment for which emergency modernization assistance is sought,*

"*(B) the rate of youth unemployment in the labor market area served by the local educational agency,*

"*(C) the number of youth aged seventeen through twenty-one residing in the labor market area served by the local educational agency who are unemployed, and*

"*(D) the percentage such youth represent, as compared with the vocational education enrollment in the local educational agency,*

"*(E) the ability of the facility to comply with the standards adopted pursuant to the Act of August 12, 1968 (42 U.S.C. 4151–4156), commonly known as the Architectural Barriers Act of 1968; and*

"*(2) the degree to which the modernization of facilities and equipment proposed in the application afford promise of achieving the goals set forth in the five-year State plan developed pursuant to section 107.*

"*(c) The Commissioner shall rank all approved applications according to their relative need for assistance and, except as provided in subsection (d), shall pay, from sums appropriated for this part, 75 per centum of the cost of such approved applications, until such appropriation shall be exhausted.*

"*(d) The Commissioner shall consult with the Administrator of General Services and the Architectural and Transportation Barriers Compliance Board to determine whether the proposed remodeling or renovation will meet standards adopted pursuant to the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968.*

"*(e) Upon a finding, in writing, that a local educational agency with an approved application is suffering from extreme financial need and would not, because of the limitation of Federal financial assistance to 75 per centum of the cost of the approved project, be able to participate in the program authorized by this subpart, the Commissioner may waive such limitation and may pay the full cost of the approved project.*

"*PAYMENT*

"*SEC. 194. (a) Upon his approval of an application for assistance under this subpart, the Commissioner shall reserve from the appropriation available therefor the amount required for the payment of the*

Federal share of the cost of such application as determined under subsection (c) or (d) of section 193.

“(b) The Commissioner shall pay to the applicant such reserved amount, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

“PART C—DEFINITIONS

“DEFINITIONS

“SEC. 195. As used in this Act—

“(1) The term ‘vocational education’ means organized educational programs which are directly related to the preparation of individuals for paid or unpaid employment, or for additional preparation for a career requiring other than a baccalaureate or advanced degree; and, for purposes of this paragraph, the term ‘organized education program’ means only (A) instruction related to the occupation or occupations for which the students are in training or instruction necessary for students to benefit from such training, and (B) the acquisition, maintenance, and repair of instructional supplies, teaching aids and equipment; and the term ‘vocational education’ does not mean the construction, acquisition or initial equipment of buildings or the acquisition or rental of land.

“(2) The term ‘area vocational education school’ means—

“(A) a specialized high school used exclusively or principally for the provision of vocational education to persons who are available for study in preparation for entering the labor market, or

“(B) the department of a high school exclusively or principally used for providing vocational education in no less than five different occupational fields to persons who are available for study in preparation for entering the labor market, or

“(C) a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for study in preparation for entering the labor market, or

“(D) the department or division of a junior college or community college or university operating under the policies of the State board and which provides vocational education in no less than five different occupational fields, leading to immediate employment but not necessarily leading to a baccalaureate degree, if it is available to all residents of the State or an area of the State designated and approved by the State board, and if, in the case of a school, department, or division described in (C) or (D), if it admits as regular students both persons who have completed high school and persons who have left high school.

“(3) The term ‘school facilities’ means classrooms and related facilities (including initial equipment) and interests in lands on which such facilities are constructed. Such term shall not include any facility intended primarily for events for which admission is to be charged to the general public.

“(4) The term ‘construction’ includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and includes site grading and improvement and architect fees.

"*(5) The term 'Commissioner' means the Commissioner of Education.*

"*(6) The term 'Secretary' means the Secretary of Health, Education, and Welfare.*

"*(7) The term 'handicapped', when applied to persons, means persons who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired persons who by reason thereof require special education and related services, and who, because of their handicapping condition, cannot succeed in the regular vocational education program without special educational assistance or who require a modified vocational education program.*

"*(8) The term 'State' includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.*

"*(9) The term 'State board' means a State board designated or created by State law as the sole State agency responsible for the administration of vocational education, or for supervision of the administration of vocational education in the State.*

"*(10) The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a vocational education program.*

"*(11) The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.*

"*(12) The term 'postsecondary educational institution' means a nonprofit institution legally authorized to provide postsecondary education within a State for persons sixteen years of age or older, who have graduated from or left elementary or secondary school.*

"*(13) The term 'eligible recipient' means a local educational agency or a postsecondary educational institution.*

"*(14) The term 'National Advisory Council' means the National Advisory Council on Vocational Education continued under section 162.*

"*(15) The term 'industrial arts education programs' means those education programs (A) which pertain to the body of related subject matter, or related courses, organized for the development of understanding about all aspects of industry and technology, including learning experiences involving activities such as experimenting, designating, constructing, evaluating, and using tools, machines, materials, and processes and (B) which assist individuals in the making of informed and meaningful occupational choices or which prepare them for entry into advanced trade and industrial or technical education programs.*

"*(16) The term 'disadvantaged' means persons (other than handicapped persons) who have academic or economic handicaps and who require special services and assistance in order to enable them to suc-*

ceed in vocational education programs, under criteria developed by the Commissioner based on objective standards and the most recent available data.

"(17) The term 'low-income family or individual' means such families or individuals who are determined to be low-income according to the latest available data from the Department of Commerce.

"(18) The term 'cooperative education' means a program of vocational education for persons who, through written cooperative arrangements between the school and employers, receive instruction, including required academic courses and related vocational instruction by alternation of study in school with a job in any occupational field, but these two experiences must be planned and supervised by the school and employers so that each contributes to the student's education and to his or her employability. Work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

"(19) The term 'curriculum materials' means materials consisting of a series of courses to cover instruction in any occupational field which are designed to prepare persons for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field.

"(20) For the purposes of this Act, the term 'administration' means activities of a State necessary for the proper and efficient performance of its duties under this Act, including supervision, but not including ancillary services."

RELATED AMENDMENTS

SEC. 203. (a)(1) Section 107(a)(2)(A) of the Comprehensive Employment and Training Act of 1973 is amended by redesignating clauses (iii) through (vii) (and any cross references thereto) as clauses (iv) through (viii) respectively, and by inserting immediately after clause (ii) the following new clause:

> *"(iii) one representative of the State Advisory Council on Vocational Education created pursuant to section 105 of the Vocational Education Act of 1963;".*

(2) Section 107(b) of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof a new paragraph (4) to read as follows:

> *"(4)(i) identify, after consultation with the State Advisory Council on Vocational Education, the employment and training and vocational education needs of the State and assess the extent to which employment training, vocational education, vocational rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and (ii) comment at least once annually, on the reports of the State Advisory Council on Vocational Education, which comments shall be included in the annual report submitted by the Council pursuant to this section and in the annual report submitted by the State Advisory Council pursuant to section 105 of the Vocational Education Act of 1963.".*

(b)(1) Section 502(a) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "eleven members" in paragraph (2) and inserting in lieu thereof "ten members", by re-

designating such paragraph (2) (and any cross reference thereto) as paragraph (3), and by inserting immediately after paragraph (1) the following new paragraph:

> *"(2) a representative of the National Advisory Council on Vocational Education created pursuant to section 162 of the Vocational Education Act of 1963; and".*

(2) Section 503 of the Comprehensive Employment and Training Act of 1973 is amended by striking out "and" after paragraph (4), redesignating paragraph (5) (and any cross reference thereto) as paragraph (6), and by inserting immediately after paragraph (4) the following new paragraph:

> *"(5)(i) identify, after consultation with the National Advisory Council on Vocational Education, the employment and training and vocational education needs of the Nation and assess the extent to which employment training, vocational education, vocational rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and (ii) comment, at least once annually, on the reports of the National Advisory Council on Vocational Education, which comments shall be included in one of the reports submitted by the National Commission pursuant to this section and in one of the reports submitted by the National Advisory Council on Vocational Education pursuant to section 162 of the Vocational Education Act of 1963; and".*

EFFECTIVE DATES AND REPEALERS

SEC. 204. (a)(1) Section 201 shall be effective upon date of enactment.

(2) Sections 202 and 203 shall be effective on October 1, 1977, except that—

(A) the amendments made by the revised section 102(d) (relating to an authorization of appropriations for planning) and section 107 (relating to planning during fiscal year 1977) shall be effective upon enactment, and

(B) the amendments made by section 103(a)(1) (relating to reserving funds for the National Occupational Information Coordinating Committee) and section 161 (relating to the national vocational education data reporting and accounting system and the National Occupational Information Coordinating Committee and similar State committees) shall be effective upon enactment.

(b) Upon the effective date of section 202, individuals who are members of the State advisory councils on vocational education may continue to serve for the terms for which they were appointed, except that no such member may serve for more than two fiscal years after such effective date unless reappointed pursuant to the amendments contained in that section.

(c) Effective October 1, 1977, there are hereby repealed—

(1) title V, part F of the Education Professions Development Act,

(2) title X, part B of the Higher Education Act, and

(3) section 1071 of the Higher Education Act.

TITLE III—EXTENSIONS AND REVISIONS OF OTHER EDUCATION PROGRAMS

PART A—EXTENSION AND REVISION OF RELATED PROGRAMS

EXTENSION OF TITLE III OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 301. (a) The first sentence of section 301 of the National Defense Education Act of 1958 is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1978".

(b) The second sentence of such section is amended by striking out "July 1, 1977" and inserting in lieu thereof "October 1, 1978".

EXTENSION AND REVISION OF TITLE VI OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 302. (a) The heading of title VI of the National Defense Education Act of 1958 is amended to read as follows: "TITLE VI—FOREIGN STUDIES AND LANGUAGE DEVELOPMENT".

(b) Title VI of the National Defense Education Act of 1958 is amended by redesignating section 603 as section 604 and by inserting after section 602 the following new section:

"GRANT PROGRAM TO PROMOTE CULTURAL UNDERSTANDING

"SEC. 603. (a) The Congress finds that—

"(1) the well-being of the United States and its citizens is affected by policies adopted and actions taken by, or with respect to, other nations and areas; and

"(2) the United States must afford its citizens adequate access to the information which will enable them to make informed judgments with respect to the international policies and actions of the United States.

It is, therefore, the purpose of this section to support educational programs which will increase the availability of such information to students in the United States.

"(b) The Commissioner is authorized, by grant or contract, to stimulate locally designed educational programs to increase the understanding of students in the United States about the cultures and actions of other nations in order to better evaluate the international and domestic impact of major national policies.

"(c) Grants or contracts under this section—

"(1) may be made to any public or private agency or organization, including, but not limited to, institutions of higher education, State and local educational agencies, professional associations, educational consortia, and organizations of teachers;

"(2) may include assistance for in-service training of teachers and other education personnel, the compilation of existing information and resources about other nations in forms useful to various types of educational programs, and the dissemination of information and resources to educators and educational officials upon their request, but shall not be used for the development of new curriculums or the acquisition of equipment or remodeling of facilities; and

"(3) may be made for projects and programs at all levels of education, and may include projects and programs carried on as part of community, adult, and continuing education programs.".

(c) Section 604 of such Act (as so redesignated by subsection (b) of this section) is amended by striking out everything after "$75,000,000" and inserting in lieu thereof the following: "for each fiscal year ending prior to October 1, 1977, to carry out the provisions of this title, except that no funds shall be made available in any fiscal year for carrying out programs under section 603 until at least $15,000,000 has been made available in such fiscal year for carrying out the provisions of sections 601 and 602.".

(d) Section 602 of such Act is amended by adding in the first sentence, after "directly or by", the following: "grant or".

EXTENSION OF THE INTERNATIONAL EDUCATION ACT OF 1966

Sec. 303. Section 105(a) of the International Education Act of 1966 is amended to read as follows:

"Sec. 105. (a) There are authorized to be appropriated $10,000,000 for fiscal year 1977, for the purpose of carrying out the provisions of this title.".

Part B—Other Education Programs

EXTENSION AND REVISION OF THE EMERGENCY SCHOOL AID ACT

Sec. 321. (a) Section 704(a) of the Emergency School Aid Act is amended by inserting after "1976" a comma and the following: "and $1,000,000,000 for the period beginning July 1, 1976, and ending September 30, 1979, except that of the sums available under section 708 (a), the Assistant Secretary is limited in the use of such sums to an amount, not more than 5 percent, which may be used for providing compensatory services to students who had previously received such services funded in whole or in part under title I of the Elementary and Secondary Education Act of 1965, but who are no longer receiving such services as a result of attendance area changes under a desegregation order or plan issued after August 21, 1974".

(b) Section 704 of the Emergency School Aid Act is amended by inserting "(b)" immediately before "From" and by inserting at the end thereof the following:

"(c) There are authorized to be appropriated, in addition to the sums authorized under subsection (a) of this section, $50,000,000 for fiscal year 1977, and $100,000,000 for fiscal year 1978, for the purpose of carrying out section 708(a), relating to special programs and projects. The provisions of section 705, relating to apportionment among the States, shall not apply to sums appropriated pursuant to this subsection.".

(c)(1) Section 704 of the Emergency School Aid Act is amended by adding at the end thereof (following the subsection added by subsection (b) of this section) the following new subsection:

"(d) There are authorized to be appropriated in addition to the sums authorized under subsection (a) of this section $25,000,000 for fiscal year 1977 and $50,000,000 for fiscal year 1978, for the purpose of carrying out activities specified in paragraphs (13) through (15) of

section 707(a) of this Act. The provisions of section 705, relating to apportionment among the States, shall not apply to sums appropriated pursuant to this subsection.".

(2) Section 707(a) of such Act is amended by adding after paragraph (12) of such section the following new paragraphs:

"(13) Planning and design of, and conduct of programs in, magnet schools.

"(14) The pairing of schools and programs with specific colleges and universities and with leading businesses.

"(15) The development of plans for neutral site schools.".

(3) Section 720 of such Act is amended—

(A) by inserting after paragraph (8) the following new paragraph:

"(9) The term 'magnet school' means a school or education center that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds.";

(B) by redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively;

(C) by inserting after paragraph (11) (as redesignated by this paragraph) the following:

"(12) The term 'neutral site school' means a school that is located so as to be accessible to substantial numbers of students of different racial backgrounds."; and

(D) by redesignating paragraphs (11), (12), (13), (14), and (15) as paragraphs (13), (14), (15), (16), and (17), respectively.

(d) Section 716(b) of the Emergency School Aid Act is amended by striking out "September 30, 1976" and inserting in lieu thereof "September 30, 1979".

EXTENSION OF THE ALLEN J. ELLENDER FELLOWSHIP PROGRAM

SEC. 322. Section 5 of the joint resolution approved October 19, 1972 (Public Law 92–506; 86 Stat. 908), relating to the Allen J. Ellender fellowship program, is amended by striking out "two" and by inserting after "years" the following: "ending prior to October 1, 1976, $750,000 for each of the fiscal years 1977 and 1978, and $1,000,000 for fiscal year 1979 and for each of the fiscal years ending prior to October 1, 1982".

MAINTENANCE OF EFFORT

SEC. 323. (a)(1) Section 143(c)(2) of the Elementary and Secondary Education Act of 1965 is amended by inserting "per student or the aggregate expenditures" immediately after "combined fiscal effort" each time that term occurs.

(2) Section 307(e) of such Act is amended by inserting "per student or the aggregate expenditures" after "fiscal effort" each time that term occurs.

(3) Section 403(a)(11) of such Act is amended to read as follows:

"(11) gives satisfactory assurance that the aggregate amount to be expended per student or the aggregate expenditure by the State, its local educational agencies, and private schools in such State from funds derived from non-Federal sources for programs described in section 421(a) and section 431(a) for the preceding

fiscal year were not less than the amount per student expended or the aggregate expenditure for the second preceding year.".

(4) Section 307(b) of the Adult Education Act is amended to read as follows:

"(b) No payment shall be made to any State from its allotment for any fiscal year unless the Commissioner finds that the fiscal effort per student or the amount available for expenditure by such State for adult education from non-Federal sources for the preceding fiscal year was not less than such fiscal effort per student or such amount available for expenditure for such purposes from such sources during the second preceding fiscal year, but no State shall be required to use its funds to supplant any portion of the Federal share.".

(5) Section 710(a)(13) of the Emergency School Aid Act is amended to read as follows:

"(13) provides that the applicant has not reduced its fiscal effort per student or the aggregate expenditure for the provision of free public education for children in attendance at the school of such agency for the fiscal year for which assistance is sought under this title to less than that of the second preceding fiscal year;".

(b) The General Education Provisions Act is amended by inserting after section 431 the following new section:

"MAINTENANCE OF EFFORT DETERMINATION

"SEC. 431A. (a)(1) In prescribing regulations for carrying out the requirements of section 403(a)(11) of the Elementary and Secondary Education Act of 1965 and section 307(b) of the Adult Education Act, the Commissioner shall—

"(A) determine the amount so expended on the basis of per pupil or aggregate expenditures;

"(B) prescribe that the requirement for each such section is met for any fiscal year for which notification is given under subparagraph (C) if, for such year, the fiscal effort per student or the amount expended is not less than the allowable percentage reduction for that agency from its fiscal effort per student or the amount expended by that agency in its base year; and

"(C) requires that each agency intending to use the provisions of this section shall notify the Commissioner.

"(2) For purposes of paragraph (1)(B) of this subsection—

"(A) an agency's base year for the period in which such paragraph is effective shall be the fiscal year determined by that agency to be such base year in the first fiscal year for which such notification is given by that agency, except that such base year so determined shall be—

"(i) the fiscal year preceding such fiscal year for which notification is given; or

"(ii) the second fiscal year preceding such year of notification; and

"(B) an agency's allowable percentage reduction for any fiscal year shall be a percentage reduction from the fiscal effort per student or the amount expended in its base year determined by that agency which, when added to the sum of any such percentage

reductions previously determined by that agency for purposes of paragraph (1) (B), does not exceed 5 percent.

"(b) (1) (A) In any case in which exceptional circumstances exist, the Commissioner may, in accordance with the provisions of this subparagraph, waive, for any fiscal year, the requirement of section 403(a) (11) of the Elementary and Secondary Education Act of 1965, of section 307(b) of the Adult Education Act, and of this section, if he determines such waiver to be equitable in order to reflect such circumstances, including those resulting from decreasing enrollments or fiscal resources of the relevant local educational agency, or the State, or both. In any case in which a waiver under this subparagraph is granted, the Commissioner shall reduce the amount of the Federal payment for the current fiscal year in the exact proportion to which the fiscal effort per student or the amount expended was less than 100 percent for the second preceding fiscal year as required by section 403(a) (11) of the Elementary and Secondary Education Act of 1965, and by section 307(b) of the Adult Education Act.

"(B) In any case in which very exceptional circumstances exist, the Commissioner may waive, for any fiscal year, the requirement of section 403(a) (11) of the Elementary and Secondary Education Act of 1965, of section 307(b) of the Adult Education Act, and of this section, if he determines such waiver to be equitable in order to reflect such circumstances, including those resulting from decreasing enrollments or fiscal resources of the relevant local educational agency, or the State, or both.

"(2) (A) In any case in which exceptional circumstances exist with respect to a local educational agency, the Commissioner may, in accordance with the provisions of this subparagraph, waive, for one fiscal year only with respect to such local educational agency, the requirement of section 143(c) (2) of the Elementary and Secondary Education Act of 1965 if he determines such waiver to be equitable in order to reflect such circumstances, including those resulting from decreasing enrollments or fiscal resources of the relevant local educational agency or the State, or both. In any case in which a waiver under this subparagraph is granted, the Commissioner shall, for one fiscal year only, reduce the amount of the Federal payment for the current fiscal year in the exact proportion to which the fiscal effort per student of that agency or the amount expended by that agency was less than 100 percent for the second proceeding fiscal year as required by section 143(c) (2) of the Elementary and Secondary Education Act of 1965.

"(B) In any case in which very exceptional circumstances exist with respect to a local educational agency, the Commissioner may waive for one fiscal year only, with respect to such local educational agency the requirement of section 143(c) (2) of the Elementary and Secondary Education Act of 1965 if he determines such waiver to be equitable in order to reflect such circumstances, including those from decreasing enrollments or fiscal resources of such local educational agency.

"(3) The Commissioner shall establish objective criteria of general applicability to carry out the waiver authority contained in this subsection.

"(c) This section shall be effective with respect to each requirement to which it applies, during the period which begins on the date of the enactment of the Education Amendments of 1976, and ends on the

date of termination of the program to which the requirement applies. For purposes of the preceding sentence, a program shall be considered to terminate on September 30 of the fiscal year, if any, during which such program is automatically extended pursuant to section 414 of the General Education Provisions Act.".

PARTICIPATION OF NONPUBLIC SCHOOL CHILDREN

SEC. 324. Section 406(e) of the Elementary and Secondary Education Act of 1965 is amended by inserting after "he" the following: "may waive such requirements and".

WOMEN'S EDUCATIONAL EQUITY

SEC. 325. (a) The first sentence of section 408(f)(1) of the Education Amendments of 1974 (the Women's Educational Equity Act of 1974) is amended by striking out "an" and inserting in lieu thereof "a National".

(b) Section 408(f)(3) of the Education Amendments of 1974 is amended—

(1) by striking out "and" at the end of clause (C) of such section,

(2) by striking out the period at the end of clause (D) and inserting in lieu thereof a semicolon, and

(3) by inserting at the end thereof the following new clauses:

"(E) make such reports as the Council determines appropriate to the President and the Congress on the activities of the Council; and

"(F) disseminate information concerning the activities of the Council under this section.".

(c) Section 408(f) of the Education Amendments of 1974 is amended by striking out the subsection designation "(f)" the second time it appears in such section and inserting in lieu thereof "(g)".

STATE EQUALIZATION PLANS

SEC. 326. Section 842(a)(1) of the Education Amendments of 1974, relating to assistance to States for State equalization plans, is amended by striking out "July 1, 1977" and inserting in lieu thereof "October 1, 1978".

INDOCHINA REFUGEE CHILDREN ASSISTANCE ACT OF 1976 AND SIMILAR PROGRAMS

SEC. 327. The provisions of section 414 of the General Education Provisions Act, relating to the contingent extension of applicable programs, shall not apply to the Indochina Refugee Children Assistance Act of 1976, or to any program of financial assistance for educational purposes for Indochinese refugee children.

HOLD HARMLESS RELATING TO TITLE IV OF ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 328. Section 401 of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"(d) There are authorized to be appropriated for obligation by the Commissioner during the fiscal year ending September 30, 1978, such sums as may be necessary for the purpose of increasing the allotment under section 402(a)(2) for that year to any State to a level of funding which equals the amounts of funds received by that State for the fiscal year ending June 30, 1974, for programs under title II, title III, title V, and sections 807 and 808 of this Act, and title III (except for section 305) of the National Defense Education Act of 1958.".

AMENDMENT TO ADULT EDUCATION ACT

Sec. 329. Section 309 of the Adult Education Act is amended by striking out "15 per centum" and inserting in lieu thereof "10 per centum".

AMENDMENTS RELATING TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

Sec. 330. (a) Section 5(d)(2) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by adding at the end thereof the following new subparagraph:

> *"(C) In the application of subparagraph (A) of this paragraph to any State having a program described in such subparagraph (A) in effect on the date of the enactment of the Education Amendments of 1976, no payment may be withheld from and no repayment may be required of any State or local educational agency for any period prior to promulgation of final regulations, or, if the State is not in conformance with such regulations, until July 1, 1977.".*

(b)(1) Section 5(c)(1) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended to read as follows:

> *"(1) He shall first allocate to each local educational agency which is entitled to a payment under section 2 an amount equal to 100 per centum of the amount to which it is entitled as computed under that section for such fiscal year and he shall further allocate to each local educational agency which is entitled to a payment under section 3 an amount equal to 25 per centum of the amount to which it is entitled as computed under section 3(d) for such fiscal year.".*

(2) Section 5(c)(2) of such Act is amended

(A) by striking out "; and" at the end of clause (F) and inserting in lieu thereof a period, and (B) by striking out clause (G).

(3) Section 5(c)(3) of such Act, as so amended, is amended by striking out "sections 2, 3, and 4" and inserting in lieu thereof "sections 3 and 4".

(4) The amendments made by this subsection shall take effect on July 1, 1975.

Part C—Career Education and Career Development

PURPOSE

Sec. 331. It is the purpose of this part to provide Federal assistance to States to enable them to plan for the development of career education and career development programs and activities for individuals *of all ages, and to plan for the improvement of existing programs and activities, in the areas of awareness, exploration, planning, and decisionmaking of individuals served with regard to career opportunities and career development throughout the lifetimes of such individuals, through—*

(1) planning for the development of information on the needs for career education and career development for all individuals;

(2) planning for the promotion of a national dialogue on career education and career development designed to encourage each State and local educational agency to determine and adopt the aproach best suited to the needs of the individuals served by each such agency;

(3) planning for the assessment of the status of career education and career development programs and practices, including a reassessment of the stereotyping of career opportunities by race or by sex;

(4) planning for the demonstration of the best of the current career education and career development programs and practices by planning to develop and test exemplary programs and practices using various theories, concepts, and approaches with respect to career education and through planning for a nationwide system of regional career education centers;

(5) planning for the training and retraining of persons for conducting career education and career development programs; and

(6) developing State and local plans for implementing programs designed to ensure that every person has the opportunity to gain the knowledge and skills necessary for gainful or maximum employment and for full participation in our society according to his or her ability.

AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT

SEC. 332. (a) There are authorized to be appropriated for the purpose of this part $10,000,000 for fiscal year 1978. The provisions of section 414 of the General Education Provisions Act shall not apply to the authorization made by this subsection.

(b)(1) From the sums appropriated under this part, the Commissioner of Education shall reserve an amount not to exceed $2,000,000, for the purpose of carrying out section 335 of this part.

(2) From the remainder of the sums appropriated under this part, the Commissioner shall reserve such amount, not to exceed 3 per centum thereof, as he may determine necessary and shall allot such amount among the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, according to their relative need for assistance under this part.

(3)(A) Of the remainder of the sums appropriated, the Commissioner shall allot to each State $100,000, and of the remainder of the sums appropriated the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as the

population of the State bears to the population of all States, for purposes of carrying out section 331.

(B) For purposes of this paragraph, the term "State" means any of the several States and the District of Columbia.

(c) The Federal share of funds allotted to States under this part shall not exceed 80 per centum of the total cost of the planning undertaken pursuant to this part.

PROGRAM ADMINISTRATION

SEC. 333. The provisions of this part shall be carried out by the Commissioner through the Office of Career Education established pursuant to section 406(c) of the Education Amendments of 1974.

USE OF FUNDS

SEC. 334. Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this part shall agree to submit to the Commissioner by December 31, 1978, a report on any planning undertaken pursuant to this part. Such report shall be in such form as the State may desire, and may include planning proposals for—

(1) extending career education and career development programs and services to all individuals in the State;

(2) extending the concept of the education process beyond the school into the area of employment and community affairs, and relating the subject matter curriculums of schools to the needs of individuals to function in society;

(3) the implementation of new concepts in career education and career development and for the replication of concepts which have demonstrated success;

(4) the development of training programs, including inservice training programs, for teachers, counselors, other educators, and administrators;

(5) fostering cooperative arrangements with such community groups and agencies as the public employment services, vocational rehabilitation service, community mental health agencies, education opportunity centers, and other community resources concerned with vocational development guidance and counseling, in order to avoid unnecessary duplication in the provision of services in the community or area to be served; and

(6) inventories of State, local, and private resources available for the development of career education and career development programs and services.

CAREER INFORMATION

SEC. 335. (a) The Commissioner shall provide, either directly or by grant or contract, for—

(1) the gathering, cataloging, storing, analyzing, and disseminating information related to the availability of, and prepara-

tion for, careers in the United States, including information concerning current career options, future career trends, and career education;

(2) the ongoing analysis of career trends and options in the United States, using information from both the public and private sectors, including such sources as the Bureau of Labor Statistics, the Department of Commerce, the Tariff Commission, economic analysts, labor unions, and private industry;

(3) the publication of periodic reports and reference works using analysis prepared pursuant to this section and containing exemplary materials from the career education field, including research findings, results, and techniques from successful projects and programs, and highlights of ongoing analyses of career trends in the United States; and

(4) the conduct of seminars, workshops, and career information sessions for the purpose of disseminating to teachers, guidance counselors, other career educators, administrators, other education personnel, and the general public information compiled and analyzed under this section.

(b) In carrying out the provisions of this part, and to the extent practicable, the Commissioner shall (1) make use of existing offices, centers, clearinghouses, and research capabilities, (2) coordinate among the offices, centers, clearinghouses, and research capabilities in carrying out his career information responsibilities, and (3) use the career information capabilities of the Education Division.

NATIONAL ADVISORY COUNCIL

SEC. 336. The National Advisory Council for Career Education established pursuant to section 406(g) of the Education Amendments of 1974 shall, in addition to its duties under that section, advise the Commissioner with respect to the implementation of this part.

PART D—GUIDANCE AND COUNSELING

FINDINGS

SEC. 341. The Congress finds that—

(1) guidance and counseling activities are an essential component to assure success in achieving the goals of many education programs;

(2) lack of coordination among guidance and counseling activities supported jointly or separately by Federal programs and by State and local programs has resulted in an underutilization of resources available for such activities; and

(3) increased and improved preparation of education professionals is needed in guidance and counseling, including administration of guidance and counseling programs at the State and local levels, with special emphasis on inservice training which takes educational professionals into the workplaces of business and industry, the professions, and other occupational pursuits,

and that increased and improved use of individuals employed in such pursuits are needed for effective guidance and counseling programs, including (A) bringing persons employed in such pursuits into schools, and (B) bringing students into such workplaces for observation of, and participation in, such pursuits, in order to acquaint the students with the nature of the work.

APPROPRIATIONS AUTHORIZED

SEC. 342. (a) There are authorized to be appropriated $20,000,000 for each of the fiscal years 1978 and 1979, to carry out the provisions of this part.

(b)(1) There are authorized to be appropriated $3,000,000 for fiscal year 1977, for purposes of grants to States made by the Commissioner for programs, projects, and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools.

(2) No sums are authorized to be appropriated under section 401 (a) of the Elementary and Secondary Education Act of 1965 for fiscal year 1977, for the purpose of making grants under part B (Libraries and Learning Resources) of title IV of such Act, for such fiscal year which represent the amount authorized to be appropriated under paragraph (1) of this subsection.

(3)(A) The Commissioner shall allot the amounts appropriated under this subsection among Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this subsection. In addition, he shall allot from such amounts to (i) the Secretary of the Interior the amounts necessary for the programs, projects, and activities authorized by this subsection for children and teachers in elementary and secondary schools operated for Indian children by the Department of the Interior; and (ii) the Secretary of Defense the amounts necessary for the programs, projects, and activities authorized by this subsection for children and teachers in the overseas dependents schools of the Department of Defense. The terms upon which payment for such purposes shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this subsection.

(B) From the amounts appropriated to carry out this subsection, the Commissioner shall allot to each State from such amounts an amount which bears the same ratio to such amounts as the number of children aged five to seventeen, inclusive, in the State bears to the number of such children in all the States. For the purposes of this subparagraph, the term "State shall not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. The number of children aged five to seventeen, inclusive, in a State and in all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

(C) The amount of any State's allotment under subparagraph (A) or subparagraph (B) to carry out this subsection which the Commis-

sioner determines will not be required to carry out this subsection shall be available for reallotment from time to time, on such dates as the Commissioner may fix, to other States in proportion to thhe original allotments to such States under subparagraph (A) or subparagraph (B) but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use. The total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subparagraph from funds appropriated under this subsection shall be deemed a part of its allotment under subparagraph (A) or subparagraph (B).

ADMINISTRATION

SEC. 343. (a) The Commissioner shall establish or designate an administrative unit within the Education Division for purposes of—

(1) carrying out provisions of this section;

(2) providing information regarding guidance and counseling as a profession, guidance and counseling activities of the Federal Government, and, to the extent practicable, activities of State and local programs of guidance and counseling; and

(3) advising the Commissioner on coordinating guidance and counseling activities included in all programs which he is authorized to carry out, and, to the extent he deems practicable, how such activities may be coordinated with other programs of the Federal Government and State and local guidance and counseling programs.

(b) The Commissioner may reserve an amount not to exceed 5 per centum of the sums appropriated under this part to carry out the provisions of this section.

PROGRAM AUTHORIZED

SEC. 344. (a) The Commissioner is authorized, on a competitive basis, to enter into contracts and make grants to State and local educational agencies, to institutions of higher education, and to private nonprofit organizations to assist them in conducting institutes, work shops, and seminars designed to improve the professional guidance qualifications of teachers and counselors in State and local educational agencies and nonpublic elementary and secondary school systems, including opportunities for teachers and guidance counselors in such agencies and systems to obtain experience in business and industry, the professions, and other occupational pursuits, and including, for the purpose of such improvement, such programs, services, or activities which bring individuals with experience in such pursuits into schools as counselors or advisors for students, and which bring students into workplaces of such pursuits to acquaint students with the nature of the work and to provide training for supervisory and technical personnel in such agencies and systems having responsibilities for guidance and counseling, and to improve supervisory services in the field of guidance and counseling.

(b) The Commissioner is authorised to make grants to States to assist them in carrying out programs to coordinate new and existing programs of guidance and counseling in the States.

TITLE IV—GENERAL EDUCATION PROVISIONS

SURVEY OF AVAILABILITY OF QUALIFIED TEACHERS

Sec. 401. (a) Section 406(b) of the General Education Provisions Act is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

> *"(5) conduct a continuing survey of institutions of higher education and local educational agencies to determine the demand for, and the availability of, qualified teachers and administrative personnel, especially in critical areas within education which are developing or are likely to develop, and assess the extent to which programs administered in the Education Division are helping to meet the needs identified as a result of such continuing survey.".*

(b) Section 406(d)(1) of the General Education Provisions Act is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and by adding at the end thereof the following new subparagraph:

> *"(D) clearly sets forth areas of critical need for additional qualified education personnel in local education agencies and, after discussion and review by the Advisory Council on Education Statistics, identifies priorities within projected areas of need, and includes recommendations of the Council with respect to the most effective manner in which the Nation and the Federal Government may address such needs.".*

(c) Section 406(g) of the General Education Provisions Act is amended by striking out "for the fiscal year ending June 30, 1977" each time it appears and inserting in lieu thereof "for each of the fiscal years ending prior to October 1, 1978".

EXTENSION OF FUND FOR IMPROVEMENT OF POSTSECONDARY EDUCATION

Sec. 402. (a) Section 404 of the General Education Provisions Act is amended by striking out "SUPPORT FOR" in the heading of such section and inserting in lieu thereof "FUND FOR THE".

(b) Section 404(e) of the General Education Provisions Act is amended by striking out "for the fiscal year ending June 30, 1975" and inserting in lieu thereof "for each succeeding fiscal year ending prior to October 1, 1979".

NATIONAL INSTITUTE OF EDUCATION

Sec. 403. (a) Section 405(b)(2) of the General Education Provisions Act is amended to read as follows:

"(2) The Institute shall, in accordance with the provisions of this section, seek to improve education in the United States through concentrating the resources of the Institute on the following priority research and development needs—

> *"(A) improvement in student achievement in the basic educational skills, including reading and mathematics;*

"(B) overcoming problems of finance, productivity, and management in educational institutions;

"(C) improving the ability of schools to meet their responsibilities to provide equal educational opportunities for students of limited English-speaking ability, women, and students who are socially, economically, or educationally disadvantaged;

"(D) preparation of youths and adults for entering and progressing in careers; and

"(E) improved dissemination of the results of, and knowledge gained from, educational research and development, including assistance to educational agencies and institutions in the application of such results and knowledge.".

(b)(1) Section 405(c)(1) of the General Education Provisions Act is amended by striking out "Eight members" and inserting in lieu thereof "A majority of the members", and by adding at the end thereof the following new sentence: "The members of the Council shall be appointed so that the Council shall be broadly representative of the general public; of the education professions, including practitioners and researchers; and of the various fields of education, including preschool, elementary and secondary, postsecondary, continuing, vocational, special, and compensatory education.".

(2) Section 405(c)(2) of the General Education Provisions Act is amended by striking out "and" immediately before "(B)" in the first sentence and by inserting immediately before the period at the end of such sentence the following: ", and (C) the term of office of each member shall expire on September 30 of the year in which such term would otherwise expire, unless a successor to such member has not been appointed and confirmed by the Senate by such date, in which case such member shall continue to serve until a successor has been appointed and confirmed".

(3) Section 405(c)(3) of the General Education Provisions Act is amended by adding at the end thereof the following new sentence: "The Council may employ, without the approval of the Director, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, not to exceed seven technical and professional employees, as the Council deems necessary to carry out its functions.".

(c) Section 405(e) of the General Education Provisions Act is amended by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively, and by inserting immediately after paragraph (1) the following new paragraphs:

"(2) Funds appropriated pursuant to subsection (b) for any fiscal year may be expended on projects and activities to disseminate (A) information on the results of educational research and development; and (B) other educational information. Projects and activities funded under this paragraph may include cooperative and jointly funded arrangements for such dissemination utilizing individuals who may be designated as 'Education Extension Agents'. Employment opportunities at the local level which are generated and funded through projects and activities carried out under the preceding sentence of this

paragraph shall be made available to residents of the area to be served, if any such residents are qualified for, and apply for, such employment.

"(3) The Director may establish and maintain research fellowships in the Institute, with such stipends and allowances, including travel and subsistence expenses, as the Director may deem necessary to procure the assistance of highly qualified research fellows from the United States and abroad.".

(d) Section 405 of the General Education Provisions Act is amended by redesignating subsection (g) and subsection (h), and any reference thereto, as subsection (i) and subsection (j), respectively, and by inserting immediately after subsection (e) the following new subsections:

"(f)(1) In carrying out the functions of the Institute under this section, the Director shall, in accordance with the provisions of this subsection, make grants to, and enter into contracts with—

"(A) regional educational laboratories established by public agencies or private nonprofit organizations; and

"(B) research and development centers established by institutions of higher education or by interstate agencies established by compact which operate subsidiary bodies established to conduct postsecondary educational research and development.

"(2) No grant shall be made and no contract entered into under this subsection unless—

"(A) proposals for assistance under this subsection are solicited from regional educational laboratories and research and development centers by the Director;

"(B) proposals for such assistance are developed by the regional educational laboratories and the research and development centers in consultation with the Director;

"(C) proposals are submitted in an application, containing or accompanied by such information as is essential to carry out the provisions of this section, including assurances that the laboratory or center involved will—

"(i) be responsible for the conduct of the research and development activities;

"(ii) prepare a long-range plan relating to the conduct of such research and development activities;

"(iii) ensure that information developed as a result of such research and development activities, including new educational methods, practices, techniques, and products, be disseminated;

"(iv) provide technical assistance to appropriate educational agencies and institutions; and

"(v) to the extent practicable, provide training for individuals, emphasizing training opportunities for women and members of minority groups, in the use of new educational methods, practices, techniques, and products developed in connection with such activities; and

"(D) the Director determines that the proposed activities will be consistent with the education research and development program and dissemination activities which are being conducted by the Institute.

“*(3)(A) The Director shall establish a Panel for the Review of Laboratory and Center Operations composed of not less than 10 members nor more than 20 members who shall be appointed by the Director from written recommendations submitted by educational laboratories and research and development centers which have submitted applications under the provisions of this subsection, and by associations of professional, commercial, scholarly, and educational associations, particularly associations or organizations engaged in educational research.*

“*(B) The Panel shall—*

“*(i) review, and prepare recommendations on, initial long-range plans submitted under paragraph (2)(C)(ii);*

“*(ii) review the operation of the laboratories and centers receiving assistance under this subsection and make recommendations for the improvement and continuation of individual laboratories and centers and for the support of new laboratories and centers; and*

“*(iii) not later than January 1, 1979, submit a final report to the Director and to the Congress containing such recommendations as the Panel considers appropriate and such interim reports as the Panel considers appropriate.*

“*(C) Each member of the Panel who is not an officer or employee of the United States shall, while engaged in the business of the Panel, be entitled to receive compensation at not to exceed the daily rate specified at the time of such service for Grade GS–18 under section 5332 of title 5, United States Code, including traveltime. While so serving on the business of the Panel away from his home or regular place of business, each such member shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons intermittently employed in the Government service.*

“*(D) The Director, for the use of the Panel, and pursuant to the recommendations of the Panel, is authorized—*

“*(i) to appoint, without regard to the provisions of title 5, United States Code, governing appointments in competitive service, and fix the compensation for, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general pay rates, such professional, technical, and clerical personnel as may be necessary; and*

“*(ii) to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.*

“*(4) No regional educational laboratory or research and development center receiving assistance under this subsection shall by reason of the receipt of such assistance be ineligible to receive any other assistance from the Institute authorized by law.*

“*(g)(1) There is established within the Institute a Federal Council on Educational Research and Development (hereinafter in this subsection referred to as the ‘Federal Council’).*

“*(2) The Federal Council shall be composed of representatives of Federal agencies engaged in research and development relating to education, and shall include, but not be limited to, a representative designated by the Secretary of Defense, a representative designated by the*

Secretary of Labor, the Director of the National Institutes of Education, the Director of the National Institute of Health, the Director of the National Science Foundation, the Director of the Office of Child Development of the Department of Health, Education, and Welfare, and the Commissioner of Education.

"(3) The President shall designate the Director of the Institute to be the Chairman of the Federal Council.

"(4) The President shall appoint additional representatives of Federal agencies and may alter the membership of the Federal Council from time to time as he considers necessary to meet changes in Federal programs or in the organization of the executive branch of the Federal Government.

"(5) The Federal Council shall—

"(A) advise, and consult with, the Director of the Institute with respect to major problems arising in connection with carrying out the purposes of the Institute;

"(B) promote coordination between the programs and activities of the Institute and related programs and activities of other Federal agencies, including the joint support of activities to the extent such support is appropriate;

"(C) make an annual report to the Congress and the President on the status of educational research and development in the United States, including (i) a catalog of federally assisted programs in educational research and development; (ii) a report of the most significant findings of such research and development; and (iii) recommendations with respect to the manner in which such Federal research and development efforts may be improved; and

"(D) make recommendations to the Congress and the President with respect to effective means for the dissemination throughout the United States of information relating to educational research and development, and carry out an assessment of existing efforts used by Federal agencies for the dissemination of such information.

"(h)(1) In conducting educational research under subsection (e) which deals with specific education programs or the target populations of such programs, the Director shall consult with the appropriate administrators of such programs within appropriate Federal agencies.

"(2) The head of any Federal agency which conducts educational research or provides financial assistance for such research shall consult with the Director with respect to the design of programs of such research.".

(e) Section 405(j) of the General Education Provisions Act, as so redesignated by subsection (d), is amended by adding at the end thereof the following new sentence: "There are also authorized to be appropriated for such purpose $100,000,000 for fiscal year 1977 and $200,000,000 for each of fiscal years 1978 and 1979.".

TECHNICAL REVISION RELATING TO PROHIBITION AGAINST FEDERAL CONTROL

SEC. 404. (a) Section 421 of the General Education Provisions Act is amended by inserting "(except as otherwise provided)" after "part".

(b) Section 432 of the General Education Provisions Act is amended by striking out all the matter preceding "shall" and inserting in lieu thereof the following: "No provision of any applicable program".

REGULATIONS

SEC. 405. (a)(1) Section 431 of the General Education Provisions Act is amended by striking out "SEC. 431. (a)" and inserting in lieu thereof "(2)" and by inserting immediately after the section heading the following:

"SEC. 431. (a)(1) For the purpose of this section, the term 'regulation' means any rules, regulations, guidelines, interpretations, orders, or requirements of general applicability prescribed by the Commissioner.".

(2)(A) Section 431(a)(2) of such Act, as redesignated by this section, is amended by striking out "Rules, regulations, guidelines, or other published interpretations or orders" and inserting in lieu thereof "Regulations".

(B) Such section 431(a)(2) is further amended by striking out "rules, regulations, guidelines, interpretations, or orders" and inserting in lieu thereof "regulations".

(b)(1) Section 431(b)(1) of such Act is amended by striking out "standard, rule, regulation, or requirement of general applicability" and inserting in lieu thereof "proposed regulation".

(2) Section 431(b)(2)(A) of such Act is amended by striking out "standard, rule, regulation, or general requirement" and inserting in lieu thereof "regulation".

(c) Section 431(c) of such Act is amended by striking out "rules, regulations, guidelines, interpretations, or orders" and inserting in lieu thereof "regulations".

(d)(1) Section 431(d)(1) of such Act is amended by striking out "standard, rule, regulation, or requirement of general applicability" and inserting in lieu thereof "regulation".

(2) Section 431(d)(1) of such Act is further amended by striking out "standard, rule, regulation, or requirement" each time it appears and inserting in lieu thereof "regulation".

(3) Section 431(d)(2) of such Act is amended by striking out "standard, rule, regulation, or requirement" each time it appears and inserting in lieu thereof "regulation".

(e)(1) Section 431(e) of such Act is amended by striking out "standard, rule, regulation, or requirement" and inserting in lieu thereof "regulation".

(2) Section 431(e) of such Act is further amended by striking out "proposed standard, rule, regulation, or requirement of general applicability" and inserting in lieu thereof "final regulation".

(f) Section 431(g) of such Act is amended by striking out "rules, regulations, and guidelines" each time it appears and inserting in lieu thereof "final regulations".

(g) The heading of section 431 of such Act is amended to read as follows:

"REGULATIONS: REQUIREMENTS AND ENFORCEMENT".

CONTROL OF PAPERWORK

SEC. 406. Section 406 of the General Education Provisions Act is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g)(1)(A) In order to eliminate excessive detail and unnecessary or redundant information requests, the Secretary and the Commissioner shall, in accordance with the provision of this subsection, coordinate the collection of information and data acquisition activities of the Education Division and the Office for Civil Rights.

"(B) For the purpose of this subsection, the term—

"(i) 'information' has the meaning given it by section 3502 of title 44, United States Code; and

"(ii) 'educational agency or institution' means any public or private agency or institution which is the recipient of funds under any applicable program, including any preschool program.

"(C) The Commissioner shall establish and provide staff personnel to operate information collection and data acquisition review and coordination procedures to be directed by the Administrator for the National Center for Education Statistics. The procedures shall be designed to review proposed collection of information and data acquisition activities in order to advise the Commissioner and the Secretary with respect to whether such activities are excessive in detail or unnecessary or redundant.

"(2)(A) The Administrator shall assist each bureau or agency directly responsible for an applicable program, and the Office for Civil Rights, in performing the coordination required by this subsection, and shall require of each such bureau, agency, and office—

"(i) a detailed justification of how information once collected will be used; and

"(ii) an estimate of the man-hours required by each educational agency or institution to complete the requests.

"(B) Each educational agency or institution subject to a request under the collection of information and data acquisition activity and their representative organizations shall have an opportunity, during the 30-day period before the transmittal of the request to the Director of the Office of Management and Budget, to comment to the Administrator on the collection of information and data acquisition activity.

"(C) Nothing in this subsection shall be construed to interfere with the enforcement of the provisions of the Civil Rights Act of 1964 or any other nondiscrimination provisions of Federal law.

"(3) The Administrator shall, insofar as practicable, and in accordance with the provisions of this title, provide educational agencies and institutions with summaries of the information collected and the data acquired by the Education Division and the Office for Civil Rights.

"(4) The Administrator shall, insofar as practicable, develop a common set of definitions and terms after consultation with the head of each bureau or agency directly responsible for the administration of an applicable program.

"(5) The Commissioner shall prepare as part of the annual report to the Congress provisions relating to the progress made by the Secretary, the Commissioner, and the Administrator in meeting the objectives of this subsection and make to the Congress whatever legislative recommendations necessary for meeting the objectives.".

ADMINISTRATIVE HEARINGS

Sec. 407. Section 440 of the General Education Provisions Act is amended by inserting "(a)" immediately after "Sec. 440" and by adding at the end thereof the following new subsection.

"(b) The extension of Federal financial assistance to a local educational agency may not be limited, deferred, or terminated by the Secretary on the ground of noncompliance with title VI of the Civil Rights Act of 1964 or any other nondiscrimination provision of Federal law unless such agency is accorded the right of due process of law, which shall include—

"(1) at least 30 days prior written notice of deferral to the agency, setting forth the particular program or programs which the Secretary finds to be operated in noncompliance with a specific provision of Federal law;

"(2) the opportunity for a hearing on the record before a duly appointed administrative law judge within a 60-day period (unless such period is extended by mutual consent of the Secretary and such agency) from the commencement of any deferral;

"(3) the conclusion of such hearing and the rendering of a decision on the merits by the administrative law judge within a period not to exceed 90 days from the commencement of such hearing, unless the judge finds by a decision that such hearing cannot be concluded or such decision cannot be rendered within such period, in which case such judge may extend such period for not to exceed 60 additional days;

"(4) the limitation of any deferral of Federal financial assistance which may be imposed by the Secretary to a period not to exceed 15 days after the rendering of such decision unless there has been an express finding on such record that such agency has failed to comply with any such nondiscrimination provision of Federal law; and

"(5) procedures, which shall be established by the Secretary, to ensure the availability of sufficent funds, without regard to any fiscal year limitations, to comply with the decision of such judge.".

STUDENT ADMISSION PRACTICES

Sec. 408. Section 440 of the General Education Provisions Act, as amended by section 407, is further amended by adding at the end thereof the following new subsection:

"(c) It shall be unlawful for the Secretary to defer or limit any Federal financial assistance on the basis of any failure to comply with the imposition of quotas (or any other numerical requirements which have the effect of imposing quotas) on the student admission practices of an institution of higher education or community college receiving Federal financial assistance.".

EXTENSION OF REPORTING DATES FOR CERTAIN PROGRAMS

SEC. 409. (a) Section 403(c)(3) of the General Education Provisions Act is amended by striking out "November 1" and inserting in lieu thereof "February 1".

(b) Section 422(b) of the General Education Provisions Act is amended by striking out "March 31" and inserting in lieu thereof "June 30".

(c) Section 4(b)(1) of the Special Projects Act is amended by striking out "February 1" and inserting in lieu thereof "March 1".

(d)(1) Section 825(a) of the Education Amendments of 1974 is amended by striking out "June 30, 1976" and inserting in lieu thereof "August 31, 1977".

(2) Section 825(c) of such Act is amended by striking out "December 1, 1976" and inserting in lieu thereof "August 31, 1977".

TREATMENT OF INDIAN POSTSECONDARY SCHOOLS

SEC. 410. The Act of November 2, 1921 (25 U.S.C. 13) is amended by adding at the end thereof the following new undesignated paragraph:

"Notwithstanding any other provision of this Act or any other law, postsecondary schools administered by the Secretary of the Interior for Indians, and which meet the definition of an 'institution of higher education' under section 1201 of the Higher Education Act of 1965, shall be eligible to participate in and receive appropriated funds under any program authorized by the Higher Education Act of 1965 or any other applicable program for the benefit of institutions of higher education, community colleges, or postsecondary educational institutions.".

PRESIDENTIAL ADVISORY COUNCILS

SEC. 411. Section 443(b) of the General Education Provisions Act is amended to read as follows:

"(b) Members of Presidential advisory councils shall continue to serve, regardless of any other provision of law limiting their terms, until the President appoints other members to fill their positions.".

AMENDMENT RELATING TO SEX DISCRIMINATION

SEC. 412. (a) Section 901(a) of the Education Amendments of 1972 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out "This" in paragraph (6) and inserting in lieu thereof "this";

(3) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and

(4) by adding at the end thereof the following new paragraphs;

"(7) this section shall not apply to—

"(A) any program or activity of the American Legion undertaken in connection with the organization or operation of any Boys State conference, Boys Nation conference, Girls State conference, or Girls Nation conference; or

"(B) any program or activity of any secondary school or educational institution specifically for—

"(i) the promotion of any Boys State conference, Boys Nation conference, Girls State conference, or Girls Nation conference; or

"(ii) the selection of students to attend any such conference;

"(8) this section shall not preclude father-son or mother-daughter activities at an educational institution, but if such activities are provided for students of one sex, opportunities for reasonably comparable activities shall be provided for students of the other sex; and

"(9) this section shall not apply with respect to any scholarship or other financial assistance awarded by an institution of higher education to any individual because such individual has received such award in any pageant in which the attainment of such award is based upon a combination of factors related to the personal appearance, poise, and talent of such individual and in which participation is limited to individuals of one sex only, so long as such pageant is in compliance with other nondiscrimination provisions of Federal law.".

(b) The amendment made by subsection (a) shall take effect upon the date of the enactment of this Act.

TITLE V—TECHNICAL AND MISCELLANEOUS PROVISIONS

PART A—TECHNICAL AMENDMENTS

TECHNICAL AMENDMENTS

SEC. 501. (a) The Education Amendments of 1974 is amended—

(1) in section 101(a)(3) by inserting ", 122, and 123" immediately after "121" and by inserting ", 127, and 128, respectively", immediately after "126" and before the period;

(2) in section 103(a)(2) by inserting "of section 301(b)" immediately after "The second sentence" and by striking out "and each of the five suceeding fiscal years,";

(3) in section 305(a) by inserting "(b)(1)" immediately before "The amendments made by paragraphs (1) and (2)" which follows the matter in quotation marks in paragraph (3) of such subsection;

(4) in section 402(a)(2) by striking out "July 24, 1954" and inserting in lieu thereof "July 26, 1954";

(5) in section 405 by striking out "(f)(1) The Commissioner shall establish or designate a clearing-" the second time it appears therein and by inserting in lieu thereof "(3) Appointments to the advisory council shall be completed";

(6) in section 406(e) by striking out "November 1, 1975" and inserting in lieu thereof "May 1, 1976";

(7) in section 406(g)(4) by striking out "November 1, 1975" and inserting in lieu thereof "May 1, 1976";

(8)(A) in section 408(d)(2)(B) by striking out "(a)" and inserting in lieu thereof "(d)(1)";

(B) in section 408(d) by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3);

(C) in the third sentence of section 408(f)(1) by inserting "from among the members indicated in clause (A)" after "Chairman";

(D) in section 408(f)(4) by striking out "not later than a year" and inserting in lieu thereof "not later than twenty months";

(9) in section 511(b) by striking out "July 1, 1974" and inserting in lieu thereof "July 1, 1975";

(10) in section 516(a) by striking out "433" and inserting in lieu thereof "443";

(11) in section 612(b)(1) by striking out "to the Office" in the second sentence and inserting in lieu thereof "to the Bureau";

(12) in section 645 by striking out "Elementary" and inserting in lieu thereof "Emergency";

(13) in section 821(c) by amending the first sentence thereof to read as follows: "The Institute shall make interim reports to the President and to the Congress not later than December 31, 1976, and September 30, 1977, and shall make a final report thereto no later than September 30, 1978, on the result of its study conducted under this section.";

(14)(A) in section 822(a) by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "December 31, 1976";

(B) in section 822(b) by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "six months after the completion of the survey authorized by subsection (a)";

(15) in section 823(2) by striking out "than one year after the effective date of this Act" and by inserting in lieu thereof "than December 31, 1975";

(16) in section 824(b) by striking out "one year after the date of enactment of this Act" and by inserting in lieu thereof "January 31, 1976";

(17) by amending the first sentence of section 825(b) to read as follows: "The Secretary shall request each State educational agency to take the steps necessary to establish and maintain appropriate records to facilitate the compilation of information specified in subsection (a) and to submit such information to him no later than June 1, 1976.";

(18) in section 826(a) by—

(A) inserting "of a representative sample of school" after "investigation and study"; and

(B) striking out in paragraph (1) "sixty days after the enactment of this Act" and inserting in lieu thereof "July 1, 1975";

(19) in section 826(b) by striking out "Within fifty days after the enactment of this Act, the" and by inserting in lieu thereof "The", by striking out "sixty days after the date of enactment of this Act" and by inserting in lieu thereof "July 1, 1975", and by striking out in the second sentence "the date of enactment of this Act" and by inserting in lieu thereof "such date";

(20) in section 837 by inserting "of the Higher Education Act of 1965" after "section 1001(b)(1)";

(21) in section 845(c) by striking out "708(a)" and by inserting in lieu thereof "732(a)" and by striking out "continued" and inserting in lieu therof "continue"; and

(22) in section 845(f) by striking out "310(b)" and by inserting in lieu thereof "311(b)".

(b)(1) Title I of the Elementary and Secondary Education Act of 1965 is amended—

(A) in section 125 by striking out "Except as provided in section 843 of the Education Amendments of 1974, no" and inserting in lieu thereof "No";

(B) in section 126(b) by striking out "clauses (2), (5), (6), and (7) of section 103(a)," and inserting in lieu thereof "sections 103(a)(2), 121, 122, and 123,";

(C) in section 141(a)(13) by striking out "140" and inserting in lieu thereof "150";

(D) in section 141(a)(14)(A) by inserting "eligible" after "children"; and

(E) in section 151(g) by striking out "January 31, 1975" and inserting in lieu thereof "February 1, 1975", and by striking out "January 31" the second time it appears and inserting in lieu thereof "February 1";

(2) The amendment made by paragraph (1)(A) shall take effect on July 1, 1975.

(c) Section 204(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out "1973" and inserting in lieu thereof "1978".

(d) Title VII of the Elementary and Secondary Education Act of 1965 is amended—

(1) in section 731(c) by striking out "November 1, 1975" and inserting in lieu thereof "November 1, 1976" and by striking out "of 1977" and by inserting in lieu thereof "February 1, 1978";

(2) in section 732(c) by striking out "November 1" and inserting in lieu thereof "March 31"; and

(3) in section 742 by inserting "of the National Institute of Education" after "Director" each place it appears.

(e)(1) Section 403(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting at the end thereof the following new paragraph:

"(5) During the fiscal year preceding the first fiscal year for which funds are appropriated pursuant to any part of this title, the State educational agency may use administrative funds available to the

State under any program specified in section 401(c) for the purpose of carrying out the requirements of this subsection.".

(2) Section 431(a)(2) of the Elementary and Secondary Education Act of 1965 is amended by striking out "or private educational organizations".

(f) The General Education Provisions Act is amended—

(1) in section 434(b)(1)(A) by adding after the first sentence the following new sentence: "The provisions of the preceding sentence shall also apply in the case of a State or other jurisdiction in which there is only one local educational agency or in which the State educational agency is also the only local educational agency.";

(2) in section 437(a) by striking out "within sixty days" and inserting in lieu thereof "within ninety days"; and

(3) in section 437(b) by striking out "October 15" and inserting in lieu thereof "March 31".

(g) Section 310A(b)(2)(A) of the Adult Education Act is amended by striking out "approval" and inserting in lieu thereof "approved".

(h) Sections 652(b)(3), 652(b)(4), and 652(b)(5) of the Education of the Handicapped Act each are amended by striking out "grant and contract" and inserting in lieu thereof "grant or contract".

(i) Section 709(a) of the Emergency School Aid Act is amended by inserting "Assistant" before "Secretary".

(j)(1) Section 194(b) of the Vocational Education Act of 1963 is amended by striking out "Secretary" and inserting in lieu thereof "Commisioner".

(2) Section 197(a)(2) of such Act is amended by striking out "to an agency" and inserting in lieu thereof "by an agency".

(k)(1) Section 301 of the National Defense Education Act of 1958 is amended by striking out "1977" and inserting in lieu thereof "1978".

(2) Section 651(a) of the Education Amendments of 1974 is amended by striking out "1977" and inserting in lieu thereof "1978".

(3) The amendments made by paragraph (1) of this subsection shall be effective on and after July 1, 1974.

(l) Section 801(j) of the Elementary and Secondary Education Act of 1965 is amended by inserting "IV," after "titles II, III,".

(m)(1) Section 103(a) of the National Defense Education Act of 1958 is amended by striking out "Puerto Rico," after "such term does not include".

(2) Section 402(a)(1) of such Act is amended by striking out "3 per centum" and inserting "1 per centum" in lieu thereof.

(3) Section 1008(A) of such Act is amended by striking out "Puerto Rico,".

(n) Section 403(17) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "(but not including" and inserting in lieu thereof "; but at the option of a local educational agency, such term need not include", and by striking out "residing in nonproject areas)" and inserting in lieu thereof "residing in nonproject areas".

(o) Section 125 of the Elementary and Secondary Education Act of 1965 is amended by striking out "State agency" both places it appears and inserting in lieu thereof "State".

(p) Section 151(i) of the Elementary and Secondary Education Act is amended by adding at the end thereof the following new sentence: "In carrying out the provisions of this section, the Commissioner shall place priority on assisting States and local educational agencies to conduct evaluations and shall, only as funds are available after fulfilling that purpose, seek to conduct any national evaluations of the program.".

(q) Section 406(g) of the General Education Provisions Act is amended by striking out "for the fiscal year ending June 30, 1977" both times it appears and by inserting in lieu thereof "for each of the fiscal years ending prior to October 1, 1978".

(r) Section 406(e) of the Elementary and Secondary Education Act of 1965 is amended by inserting after "he" the following: "may waive such requirements and".

PART B—MISCELLANEOUS AMENDMENTS

REPORTS ON HIGH SCHOOL EQUIVALENCY PROGRAM AND COLLEGE ASSISTANCE MIGRANT PROGRAM

SEC. 521. (a)(1) The Secretary of Health, Education, and Welfare, in consultation, where appropriate, with the Secretary of Labor, shall prepare and submit to the Congress not later than six months after the date of the enactment of this Act reports on programs and activities authorized by sections 417A, and 417B of the Higher Education Act of 1965, and on programs operated by the Department of Labor known as the High School Equivalency Program and College Assistance Migrant Program authorized under section 303 of the Comprehensive Employment and Training Act of 1973. The reports required by this subsection may include material from existing studies as well as such material prepared by Federal agencies and by contractors, consultants, and experts, as the Secretary of Health, Education, and Welfare deems necessary.

(2) The reports required by this subsection shall examine the purposes, administration, and effectiveness of the programs described in paragraph (1) and shall determine if and to what extent each of such programs should be administered by the Office of Education, and if so, how the administration of such programs in the Office of Education should be structured to best achieve the purposes of such programs.

(b) The Secretary of Labor shall administer and directly fund the existing programs known as the High School Equivalency Program and the College Assistance Migrant Program from the national account portion of funds appropriated for title III, section 303 of the Comprehensive Employment and Training Act of 1973 during fiscal year 1977, at the level at which they were funded during fiscal year 1976.

REPORT ON REORGANIZATION OF EDUCATION DIVISION

SEC. 522. (a) The Secretary of Health, Education, and Welfare shall conduct a study in order to determine the extent to which reorganization of the Education Division of the Department of Health, Education, and Welfare is necessary or appropriate.

(b) The Secretary of Health, Education, and Welfare shall transmit to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives, no later than June 30, 1977, a report with respect to the study required by subsection (a), together with such recommendations as the Secretary deems appropriate.

STUDIES OF VOCATIONAL EDUCATION

SEC. 523. (a) The Commissioner of Education shall carry out a study of the extent to which sex discrimination and sex stereotyping exist in all vocational education programs assisted under the Vocational Education Act of 1963, and of the progress that has been made to reduce or eliminate such discrimination and stereotyping in such programs and in the occupations for which such programs prepare students. The Commissioner shall report the results of such study, together with any recommendations with respect thereto, to the Congress within two years after the date of the enactment of this Act.

(b)(1) In addition to the other authorities, responsibilities, and duties conferred upon the National Institute of Education (hereinafter in this section referred to as the "Institute") by section 405 of the General Education Provisions Act, as amended by this Act, the Institute shall undertake a thorough evaluation and study of vocational education programs, including such programs conducted by the States, and such programs conducted under the Vocational Education Act of 1963, and other related programs conducted under the Comprehensive Employment and Training Act of 1973 and by the State Post-Secondary Commissions authorized by the Education Amendments of 1972. Such a study shall include—

(A) a study of the distribution of vocational education funds in terms of services, occupations, target populations, enrollments, and educational and governmental levels and what such distribution should be in order to meet the greatest human resource needs for the next 10 years;

(B) an examination of how to achieve compliance with, and enforcement of, the provisions of applicable laws of the United States;

(C) an analysis of the means of assessing program quality and effectiveness;

(D) depending on the level of funding available to the Institute, not more than three experimental studies to be administered by the Institute, in cases where the Institute determines that such

experimental programs are necessary to carry out the purpose of clauses (A) through (C) and the Commissioner of Education and the Secretary of Labor are authorized, notwithstanding any provision of any other law, at the request of the Institute, to approve the use of grants which educational or other agencies are eligible to receive under such Acts (in cases where such agencies agree to the uses of such grants), in order to carry out such experimental programs;

(E) findings and recommendations, including recommendations for changes in such Acts or for new legislation, with respect to the matters studied under clauses (A) through (E); and

(F) a review and evaluation of the effectiveness of programs funded under subpart 5 of part A of the Vocational Education Act of 1963 (as such Act is in effect on October 1, 1977), and to make recommendations for the redirection and the improvement of programs at all levels funded under such subpart.

(2) The Institute shall make an interim report to the President and to the Congress not later than September 30, 1979, and shall make a final report to the President and to the Congress no later than September 30, 1980, on the result of its study conducted under this section, except that the report required pursuant to paragraph (1)(F) shall be transmitted to the President and the Congress not later than January 15, 1979. Any other provision of law, rule, or regulation to the contrary notwithstanding, such reports shall not be submitted to any review outside of the Institute before their transmittal to the Congress, but the President and the Commissioner may make to the Congress such recommendations with respect to the content of the reports as each may deem appropriate.

(3) Sums made available pursuant to section 102 of the Vocational Education Act of 1963 (as such Act is in effect on the date of the enactment of this Act) and sections 102 and 103 of the Vocational Education Act of 1963 (as such Act is in effect on October 1, 1977) shall be available to carry out the administrative and direct cost requirements of the provisions of this section. These funds shall not exceed $1,000,000 per year for each of the fiscal years ending prior to October 1, 1979. Ten per centum of the funds made available under this section shall be made available for purposes of carrying out the provisions of paragraph (1)(F).

(4)(A) The Institute shall submit to the Congress, within 10 months after the date appropriations become available to carry out this section, a plan for the study to be conducted under this section. The Institute shall not commence such study until the first day after the close of the first period of 30 calendar days of continuous session of the Congress after the date of the delivery of such plan to the Congress.

(B) For purposes of subparagraph (A)—

(i) continuity of session is broken only by an adjournment of the Congress sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than 30 days to a day certain are excluded in the computation of the 30-day period.

DEPARTMENTAL DAY CARE CENTER

Sec. 524. Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare is authorized by contract or otherwise to establish, equip, and operate day care center facilities for the purpose of serving children who are members of households of employees of the Department of Health, Education, and Welfare. The Secretary is authorized to establish or provide for the establishment of appropriate fees and charges to be chargeable against the Department employees or others who are beneficiaries of services provided by such facilities to pay for the cost of their operation and to accept money, equipment, or other property donated for use in connection with the facilities. No appropriated funds may be used for the equipping or operation of any centers provided under this authority. The prohibition made by the preceding sentence shall not preclude the provision of appropriate donated space nor the purchase of the initial equipment for the centers, except that the cost of such equipment shall be reimbursed over the expected life of such equipment, not to exceed 10 years.

WAYNE MORSE CHAIR OF LAW AND POLITICS

Sec. 525. (a) The Commissioner of Education (hereinafter in this section referred to as the "Commissioner") is authorized to provide financial assistance in accordance with the provisions of this section to assist in establishing the Wayne Morse Chair of Law and Politics at the University of Oregon, of Eugene, Oregon.

(b)(1) For purposes of this section, the Federal share of the cost of establishing the Wayne Morse Chair of Law and Politics shall not exceed 50 per centum.

(2) No financial assistance under this section may be made except upon an application at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require.

(c) There are authorized to be appropriated such sums, not to exceed $500,000, as may be necessary to carry out the provisions of this section. Funds appropriated pursuant to this section shall remain available until expended.

Part C—Transition Period; Effective Dates

TRANSITION PERIOD

Sec. 531. There are authorized to be appropriated such sums as may be necessary for the period July 1, 1976, through September 30, 1976, to carry out each program authorized by this Act and each program amended by this Act, except for any program which is to become effective in fiscal year 1977 or thereafter.

EFFECTIVE DATES

Sec. 532. The provisions of this Act and the amendments made by this Act shall take effect 30 days after the date of the enactment of this Act except—

(1) as specifically otherwise provided; and

(2) that each amendment made by this Act (not subject to clause (1) of this section) providing for authorization of appropriations shall take effect July 1, 1976.

And the House agree to the same.

Carl D. Perkins,
Frank Thompson, Jr.,
John Brademas,
James G. O'Hara,
Augustus F. Hawkins,
William D. Ford,
Patsy T. Mink,
Lloyd Meeds,
Shirley Chisholm,
Mario Biaggi,
Ike Andrews,
Bill Lehman,
Jaime Benitez,
Mike Blouin,
Robert J. Cornell,
Paul Simon,
Edward P. Beard,
Leo C. Zeferetti,
George Miller,
Ron Mottl,
Tim L. Hall,
Albert H. Quie,
John M. Ashbrook,
Alphonzo Bell,
John N. Erlenborn,
Edwin D. Eshleman,
John Buchanan,
James M. Jeffords,
Bill Goodling,
Virginia Smith,
Managers on the Part of the House.

Claiborne Pell,
Jennings Randolph,
Harrison A. Williams, Jr.,
Edward M. Kennedy,
Thomas F. Eagleton,
Alan Cranston,
W. D. Hathaway,
J. Glenn Beall, Jr.,
J. Javits,
Richard S. Schweiker,
Robert T. Stafford,
Bob Taft, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—AMENDMENTS TO THE HIGHER EDUCATION ACT

DURATION

Throughout the Higher Education title of the Senate bill, the program authorized by the Higher Education Act were extended through September 30, 1982. The House amendment, with some exceptions indicated below, extended all Higher Education programs through September 30, 1977. The conference substitute provides for a three year extension of all Higher Education program through September 30, 1979, except for the guaranteed Loan Program which is extended through fiscal year 1981, College Work Study and Cooperative Education, which are extended through fiscal year 1982, and the International Education Act, which is extended through fiscal year 1977.

AMENDMENTS TO TITLE I—COMMUNITY SERVICES AND CONTINUING EDUCATION

The Senate bill added as a new authority support for lifelong learning opportunities to the existing community service and continuing education authority of Title I of the Higher Education Act of 1965. The House amendment added as new uses of Title I funds support for the expansion of continuing education in colleges and universities and resource materials sharing programs. The managers agree to a substitute which combines in Part A the authorities for assisting community service programs and post-secondary continuing education, including resource materials sharing programs. Support for lifelong learning is incorporated in a new part B of Title I.

The House amendment authorized $60 million for fiscal year 1977 only. The Senate bill authorized a total of $40 million for part A (Community Services) and B (Continuing Education), and $40 million for part C (Lifelong Learning) for each fiscal year through fiscal year 1982. The Senate bill made additional requirements for priority funding for community services programs in the $40 million authorized for parts A and B and for limited purposes in part C. The conference substitute authorizes an annual appropriation of $40 million for part A (community services and continuing education) for fiscal year 1977, 1978 and 1979. The authorizations for part B (lifelong learning), is $20 million for fiscal year 1977, $30 million for fiscal year 1978 and $40 million for fiscal year 1979.

The House amendment provided new definitions for "continuing education program" and "resource materials sharing programs". The Senate receded with an amendment providing that continuing education program means post-secondary instruction designed to meet the needs and interests of adults, including the expansion of available learning opportunities for those not adequately served by current offerings in their communities. The definition of resource materials sharing program is also modified to clarify the managers belief that resource materials sharing programs are to be directed toward better use of resources currently available in the community rather than as an authority for purchases of educational materials.

The House amendment, but not the Senate bill, modified the allotment formula for funds under Title I. Current law provides that each State first receives $100,000, after which the funds remaining are allotted to the States on the basis of population. Under the House amendment, funds were first allotted on the basis of population, then adjustments were made to make sure that each State received at least $100,000, and Guam, American Samoa, the Virgin Islands and Puerto Rico receive at least $25,000 each. The Senate recedes with an amendment providing that in no case will a State's or sovereignty's allotment for Part A of title I be less than the amount received by that State or sovereignty in fiscal year 1975.

The House amendment provided that only a State agency shall submit the State plan. The Senate bill extended present law, which allows an institution with special qualifications to submit these State plans. The House recedes.

The House amendment included continuing education and resources materials sharing programs as programs that may be included in the State plan. As part of the substitute with respect to the structure of Part A of title I these new authorities are included in the State plan.

The House amendment, but not the Senate bill, permitted consortia to receive funds as well as single institutions of higher education. The Senate recedes.

The House amendment struck the requirement that evaluations of the Part A of Title I program must take into account information about community problems. The Senate recedes.

The House amendment deleted existing authority giving the Commissioner discretion as to reports and record-keeping. The Senate recedes.

The House amendment required that there be assurances that all institutions within a State be given the opportunity to participate in the development of a State plan. The Senate recedes.

The House amendment limited the Commissioner's rulemaking authority with respect to agreements and data submission. The Senate recedes with an amendment clarifying that the limitation applies to all of Title I.

The Senate bill added a new part B which authorized grants for postsecondary continuing education programs. States must submit a supplement to their State plan provided in part A. Funds were allotted on the basis of State adult population with one-half of 1 percent State minimum. Federal funds were limited to two-thirds of program cost. The House amendment had no comparable provision. The Senate recedes in light of the managers decision to combine continuing education with community service program authority.

Both the Senate bill and the House amendment reserved funds for Title I technical assistance. The bill permitted reservation of 10 percent of funds in excess of 14.5 million dollars in parts A and B. The House amendment permitted reservation of 5 percent of all Title I funds when appropriations exceed 15 million dollars. The House recedes limiting this set aside to part A of Title I. Under the Senate bill, the Commissioner provided the technical assistance. Under the House amendment, the assistance is to be provided by the Bureau of Postsecondary Education. The House recedes.

Senate bill provided that technical assistance is for facilitating establishment of programs, a nationwide exchange of information, and adoption of successful techniques. The House amendment provided for a national diffusion network and the provision of information about changing enrollment patterns. The Senate recedes.

The Senate bill directed the Commissioner to consider the effects of assisting programs under part A of Title I on the support of research, the dissemination of information, the retraining of professionals, and Office of Education policies which affect part-time students. The Senate recedes.

The Senate bill required the Commissioner to coordinate postsecondary continuing education programs with other Office of Education programs. The House recedes.

The Senate bill required the Commissioner of Education to establish or designate a clearinghouse for postsecondary continuing education information. The Senate recedes. The managers considered this provision as unnecessary duplicative of other informational authority already granted the Commissioner under the conference agreement.

The Senate bill permitted States receiving postsecondary continuing education grants to use up to 10 percent of the grant for statewide planning. The Senate recedes. The managers in no way wish to have the deletion of this provision construed to mean that there is no need for planning in the field of postsecondary continuing education. However, the managers feel that any planning initiatives in this area which do not fall within the responsibilities for developing a State plan under part A of Title I should be assumed by the comprehensive statewide planning commissions, popularly referred to as State 1202 Commissions. Comprehensive and coordinated planning for education opportunities for adults is a better approach than continuing to give more limited planning responsibilties to a variety of planning commissions in the postsecondary field.

The Senate bill, but not the House amendment, added a new part C for planning, assessing, and coordinating lifelong learning activities. The House recedes with an amendment providing authority for assessment, evaluation, demonstration, and the development of alternative methods to improve lifelong learning. The Assistant Secretary for Education is given the major responsibility for carrying out the provisions of this Part. The managers believe that the broad coverage of the statute means that various components of the Education Division will be engaged in carrying out the program.

In the Senate bill lifelong learning was defined as programs intended to affect the knowledge, skills, and attitudes of persons who have left the traditionally sequenced educational system. The Conference substitute sets out an illustrative list of the types of education that may be included within the scope of lifelong learning.

The Senate bill required the Commissioner to use specifically reserved funds appropriated for planning, assessing, and coordinating projects related to lifelong learning. No set asides of funds for any particular portion of the lifelong learning authority are provided in the substitute developed by the managers.

The Senate bill authorized the Commissioner to enter into agreements with and make grants to appropriate State agencies, public and private non-profit agencies and organizations, and institutions of higher education to carry out the lifelong learning program. The substitute continues this authority. However, the managers wish to make clear that they do not intend that the limited funds expected to be available under this authority be concentrated in a few large-scale efforts toward the establishment of major new lifelong learning programs. Rather, that portion of appropriated funds designated for "demonstration" projects should be used to support a number of different activities to develop and expand the use of new ideas, stimulate better coordination among various sponsors of lifelong learning programs, try new approaches to serving the educational needs of persons not now adequately served, etc. These projects should focus on doing what other public support has not been able to do. They should not be used, except in unusual circumstances, for carrying on the kinds of research or training activities other federal programs are authorized to carry out.

The House amendment, but not the Senate bill, amended the existing judicial review section to provide for a trial de novo in the district court. The Senate recedes with an amendment striking that portion of the House amendment which provided that the Commissioner would have the burden of proof that the State plan or its administration is a variance with the provisions of Title I.

The House amendment, but not the Senate bill, deleted the requirement that the Commissioner of Education be a member and chairman of the Advisory Council on Extension and Continuing Education. The Senate recedes.

Amendment to Title II—College Library Assistance

The Senate bill, but not the House amendment, added a new part C to Title II providing assistance for major research libraries including institutional, independent, and public research libraries. $10 million was authorized for fiscal year 1977, $15 million for fiscal year 1978, and $20 million for fiscal year 1979. The House recedes with an amendment setting the maximum number of libraries that may be assisted under part C at 150.

Amendments to Title III—Developing Institutions

Present law establishes a ceiling of 1.4 percent of the funds that may be granted to institutions that get a waiver of the full five years of existence by virtue of the fact that the institution is located on or near an Indian reservation or a substantial population of Indians if the Commissioner determines such a waiver will increase higher education for Indians. The House amendment but not the Senate bill eliminated this 1.4 percent ceiling on grants. The Senate recedes.

Amendments to Title IV—Student Financial Assistance

Basic Grants

The Senate bill increased the ceiling for basic educational opportunity grants to $1,800 effective in the academic year 1977–78. The House amendment retained the existing ceiling of $1,400. The conference substitute provides for a ceiling of $1,400 for academic year 1977–78, and $1,800 in subsequent academic years.

The House amendment moved the annual date of submission to the Congress of a family contribution schedule from February 1 to July 1 of the preceding year, and moved the deadline for possible congressional disapproval of such schedule from May 1 to October 1 of the previous year. The House amendment also provided that when such a schedule is disapproved by the Congress, the Commissioner was to publish in the Federal Register, together with the new schedule, a full statement identifying the recommendations made in connection with such disapproval and explaining in full any discrepancy between the new schedule and such recommendations. The conference substitute requires that the Commissioner must publish an explanation of his reasons with the new schedule. The Commissioner need not publish the explanation in the Federal Register. The existing requirement that the new schedule itself be published in the Federal Register is retained.

The House amendment, but not the Senate bill, provided for the inclusion of educational expenses for dependent children in determining the expected family contribution. The Senate recedes.

Existing law provides that Social Security payments to or on behalf of a student which would not be paid if he were not a student, shall be considered as "effective family income". The House amendment provided that one-half of any funds received by a student under the GI Bill and related VA programs should also be so considered. The Senate recedes.

The Senate bill provided for the carryover of unused basic grant funds during the first three months of a new fiscal year, solely for use in paying entitlements established during the preceding year. The House amendment provided for the carryover of such funds for a full fiscal year without restriction. The Senate recedes with an amendment limiting the carry-over authority to situations where the surplus is in excess of 15% of the available amount.

The Senate bill, but not the House amendment, struck provisions of present law providing for limitations on basic grants to 50% or 60% of need in cases where the program is not fully funded. The House recedes.

The Senate bill, but not the House amendment, provided for a payment to each participating institution of $15 per year for each student receiving a basic grant, to be utilized for carrying out the student information programs also prescribed by the Senate bill, and for other administrative costs. The House recedes with an amendment reducing such payments to $10.

The House amendment, but not the Senate bill, provided for a three or more-year pilot program of state processing of Basic Grant applications. Participating states would be required to permit interstate portability of SSIG funds. The conference substitute includes the House provision, with amendments to strike a House requirement that such an agreement be for no less than three years, and to assure that the per unit processing fee which the Commissioner is authorized to provide by regulation for States engaging in the pilot program shall not be more than the amount paid per application to any other organization or agency with which the Commissioner has an agreement during the same year for the provision of similar services.

State Student Incentive Grants

The Senate bill expanded elibility in the SSIG program to students in all non-profit institutions of higher education. The House recedes with an amendment making this change effective with respect to academic years beginning after June 30, 1977. The managers want to emphasize that this amendment is intended to broaden student access to this program by requiring States to extend eligibility to students in all non-profit institutions. While the conference substitute does not require States to include students in other educational institutions, neither does it require that the States exclude students at such institutions if they now make them eligible, nor does it contain any suggestion that the Congress intends to foreclose State options with regard to the question of the eligibility of students such schools.

The House amendment provided for the carryover of excess SSIG funds through the succeeding fiscal year. The Senate recedes.

The House amendment eliminated the distinction between initial and continuing grants in the State Student Incentive Grant program. The House recedes.

The Senate bill, but not the House amendment, required portability of State Student Incentive Grants from any State that does not contribute 150% of the Federal payment to that State for the program. The Senate recedes.

The Senate bill, but not the House amendment, provided for the additional allotment of SSIG funds to states having loan guarantee agencies. When the appropriation exceeded $50 million, but was less than $200 million, half of the total above $50 million was to be allotted among such states on the basis of their share of the national enrollment total which is in attendance in that state. When the appropriation was $200 million or more, all of the excess was to be allotted to states having loan guarantee agencies. The House recedes with an amendment which provides that whenever the appropriation for SSIG exceeds $75 million, one-third of such excess shall be apportioned as provided in the Senate bill among the states having guarantee agencies.

TRIO

The Senate bill changed the description of the "Talent Search" program to provide an emphasis on identifying youths who have delayed postsecondary educational training, and encouraging them to undertake such educational training. The House recedes.

The Senate bill but not the House amendment provided for special focus programs designed to concentrate assistance on students who desire postsecondary education but are disadvantaged because of severe rural isolation, and programs to prepare students for particular careers in which disadvantaged individuals are substantially underrepresented. The conference substitute in lieu of the Senate provision emphasizes the participation of students disadvantaged because of severe rural isolation in programs authorized under this subpart.

The Senate bill but not the House amendment created a new program for the payment of 90% of the costs of operating and establishing service learning centers at institutions of postsecondary education serving substantial numbers of disadvantaged students which would (A) provide remedial and other special services for students at such institutions, and (B) serve as a concentrated effort to coordinate and supplement the ability of such institution to furnish such services. The House recedes with an amendment prohibiting the Commissioner from making any grants for the purpose of establishing such centers in any fiscal year in which the appropriations under this subpart do not exceed $70,331,000, the amount appropriated for Fiscal Year 1976. It is not the intention of the managers to suggest any ceiling (other than that contained in the authorizing language) on appropriations for these programs, but it is their intention to assure that the funds currently utilized for existing programs under this subpart shall not be diverted to the new centers. They are to be funded out of additional funding when and as soon as the Congress makes such funding available. The managers wish further to emphasize that it is not their intention that the service learning centers will be established on campuses where the existing program of special services for disadvantaged students is in operation. While these programs are not identical in all respects, they are sufficiently similar that their presence on the same campus would be a duplicative and wasteful use of scarce resources.

The managers also wish to emphasize that service learning centers need not be concentrated on campuses where the number of disadvantaged students is disproportionately high. The managers believe that institutions which serve a broad cross section of the student population should be encouraged and assisted to create such centers with the intention of broadening the availability of postsecondary educational opportunity for students served thereby.

The Senate bill provided authority to the Commissioner to require an institution entering into a grant or contract for the establishment of a service learning center to submit an application providing such information, including the ability of the institution to pay the non-Federal share of the project, as he deemed necessary. The House recedes with an amendment limiting the information which the Commissioner can request to that which is essential to carrying out the requirements of the section.

The Senate bill provided that in the existing Talent Search program, and in the new Service Learning Centers, the Commissioner can permit the participation of students from other than low-income families up to one-third of the total number of students or youths to be served in projects assisted under this program. The House recedes.

The Senate bill further provided for the establishment of programs to provide staff and leadership training for persons wishing to specialize in improving the delivery of services to disadvantaged students asssisted under this subpart. The Senate amendment provided for short-term and inservice training programs, to which the House recedes, and internships and graduate fellowships, from which the Senate recedes.

The Senate bill further amended Section 417B, by stating that it is the intention of the Congress to encourage, whenever feasible, the development of individualized programs for disadvantaged students assisted under this subpart. The House recedes. Obviously, it is not the intention of the managers to authorize the proliferation of "programs" beyond the five which Section 417B authorizes. However, it is intended, to the maximum extent feasible that there be packaging of assistance under the several programs authorized by this subpart to better meet the individualized needs of each student assisted.

The Senate bill authorized the creation of a National Center for Postsecondary Opportunity within the Office of Education, and directed that that Center should coordinate and evaluate programs under this subpart, identify and assess innovative and effective programs, and perform other duties spelled out in the legislation to improve the use of the resources available. The Senate recedes on this provision. The conferees believe that these duties can and should be performed by the Commissioner even in the absence of statutory direction, but that they have not been adequately performed to date. The job can be done with the people and organizational chart now at hand, and no new structures are needed.

The Senate bill, but not the House amendment, added a new program of Educational Outreach Centers providing grants to States designed to seek out and encourage all individuals, including those in rural areas, to attend institutions of postsecondary education or training. Funds allocated according to a formula based on the number of actual or prospective basic grants recipients in each State with a minimum allotment of $50,000 per State. Federal funds were available to pay not more than 75% of the cost. The House recedes with amendments, changing the name of the centers to Educational Information Centers, basing the allocation of funds on the total population of the State, reducing the Federal share to 66⅔ percent of total project costs, and confining the provisions which the Commissioner may require in a State plan submitted with an application for a grant under this subpart to information specified in the statute, and "such other provisions as are essential to carrying out the provisions of this subpart".

Veterans Cost-of-Instruction

The Senate bill, but not the House amendment, directed the Administrator of Veterans Affairs to provide assistance, technical consultation and information as necessary to promote maximum effectiveness of the VCOI program. The House recedes.

The Senate bill directed the Commissioner 90 days after enactment to submit to the Congress a summary report of activities and programs under VCOI and a description of the steps taken to monitor efforts by participating institutions. The House amendment required an annual report from each institution to the Commissioner and from the Commissioner to the Congress containing such information and any information he deems appropriate. The House recedes.

Guaranteed Student Loans

The House amendment, but not the Senate bill, included a requirement that the Commissioner develop and implement a plan to encourage States to establish guarantee agencies. The plan had to be developed within 90 days and a description of it as well as a timetable for its execution had to be submitted to the Congress. Before June 30, 1977 the Commissioner was to submit another report describing activities carried out under the plan, a description of each State's plan to establish a guarantee program or the reasons for not establishing one, and the Commissioner's recommendations for changes in law or policy that would encourage States to establish loan guarantee programs. The conference substitute extended the deadline for the submission of the original plan to 180 days after enactment of this provision, and removed the requirement that the Commissioner describe the State's reason for not establishing an agency.

The House amendment, but not the Senate bill, added a program of incentives to begin or expand state guarantee agencies, in the form of a program of advances to state and private nonprofit student loan insurance agencies for making payments of insurance obligations. Agencies operating on September 30, 1977 will get advances for 3 years, new agencies will be entitled to advances for 5 years. Private nonprofit agencies will receive advances only when a State has no agency and the private nonprofit agency agrees to certain conditions. The House amendment authorized appropriations for making payments under this subsection for FY 1978 and later. The Senate recedes.

The Senate bill extended the period during which first time borrowers under the program can get loans insured by the Commissioner through fiscal 1982. The House amendment extended this period through fiscal 1980. The conference substitute extends this authority through fiscal year 1981.

Existing law provides that a student may borrow up to $2,500 per year. The House amendment but not the Senate bill revised annual and aggregate loan limits for students receiving loans as follows:

(A) An undegraduate student borrowing from a state or educational institution could not borrow more than $2,500 or one-half the estimated cost of attendance, which ever is less.

(B) A first year undergraduate student could borrow more than $1,500 from an educational institution only if the proceeds were disbursed in two or more installments.

(C) A graduate or professional student could borrow up to $5,000 per year.

(D) Aggregate loan amounts were increased for graduate students from the present $10,000 to $15,000 for all insured loans.

The Senate recedes with an amendment providing that the half-cost limitation applied to students borrowing from a state direct lender or an educational institution shall apply only in the student's first year of undergraduate instruction. An identical set of differences relating to loan limits under state guaranteed programs was resolved in an identical manner.

The House amendment, but not the Senate bill, added a requirement that a loan is insurable by the Commissioner only if made to a student who agrees to notify promptly the holder of the note of any change of address. The Senate recedes.

The Senate bill, but not the House amendment, struck the provision that a lender making a loan insured by the Commissioner require an endorser when the borrower is a minor and his or her signature would not create a binding obligation. Instead, the Senate bill provided that a borrower could not raise the legal defense of infancy. The Senate recedes.

The Senate bill provided that a borrower could, prior to the start of the repayment period, specifically request that a loan insured by the Commissioner be repaid in less than five years. If the student has requested and obtained such a short repayment period he may, prior to paying the loan in full extend repayment to five years. The House amendment provided that a lender and student could agree to a schedule that started earlier than nine months after the student had left school or which was less than five years. In addition, the House amendment provide that such a loan shall not be considered in default until the lender has offered, and the borrower refused, an alternative repayment schedule which lasts from five to ten years. The conference substitute merges the objectives sought by both these provisions and adopts language granting the lender and the borrower permission to agree to a repayment period which begins earlier, or is of shorter duration than the standards set in the statute, but assuring the student of the right to extend the total repayment period to five years, if he is unable to meet a repayment period shorter than five years. The Senate bill and the House amendment also had a identical difference with respect to loans guaranteed by state agencies, and came to the same resolution of the issue.

In both the State and Federal insurance programs, the Senate bill, but not the House amendment, allowed the grace period to continue while a student is pursuing a course of study under a graduate fellowship programs. The House recedes.

Both the Senate bill and the House amendment provided for a single period of one year during which a student's payment under Federal or State insurance programs may be deferred during unemployment but:

(a) The House amendment made such a deferral subject to agreement from the holder; the Senate bill does not. The House recedes.

(b) The House amendment described such unemployment as "seeking and unable to find employment". The Senate amendment referred to a period when the borrower is unemployed. The Senate recedes.

The House amendment but not the Senate bill, required that to be insurable by the Commissioner a note must provide that the borrower contact the holder to negotiate repayment terms within four months after ceasing to attend an eligible institution on at least a half-time basis. The House recedes.

The House amendment, but not the Senate bill, in both the State and Federal insurance program required that loan proceeds be dispersed by check requiring the borrower's endorsement and noting that such endorsement is an acceptance of the loan's terms, and setting forth the substance of the terms of the loan.

The House recedes, with an amendment providing that the loan proceeds must be disbursed by check, requiring the student's endorsement, but without attaching any further requirements for the acutal instrument of disbursement. The managers were anxious to avoid excessive paperwork and any language that seemed in any way to provide for a conditional endorsement of the loan check. They concluded that their objective of making certain that the borrower knows he is getting a loan would be served by other provisions of the law, and by the simple requirement that he endorse a check for the loan, without calling into question the negotiability of the check.

The House amendment required in both the federally-insured and state-insured programs, that the schools be advised of the insurance of the loan and the name of the lender. In both cases, it was provided that this requirement could (but need not be) met by requiring that the check be sent to the school for delivery to the student. The senate recedes.

The House amendment, but not the Senate bill, allowed the lender and the borrower to agree to payments of less than $360 annually. The Senate recedes.

The Senate bill, but not the House amendment, permitted a husband and wife who both have guaranteed loans to be covered by a single minimum payment of $360 per year. The House recedes.

The House amendment, but not the Senate bill, eliminated the $2,000 annual limit on loans qualifying for interest subsidy benefits without a statement from an institution recommending an excess over $2,000. The Senate recedes.

Both the Senate bill and the House amendment increased the income level below which a student qualifies automatically for interest subsidy benefits from the current $15,000 adjusted family income. The Senate bill, but not the House amendment, increased the income level to $25,000 adjusted family income 30 days after enactment. The House amendment but not the Senate bill, increased the income level to $20,000 effective October 1, 1976, then to $25,000 effective October 1, 1977. The House recedes.

The House amendment, but not the Senate bill, deleted language requiring the Commissioner to pay an administrative allowance in States whose usury laws prohibited the payment of 7 percent interest. The House recedes.

The Senate bill, but not the House amendment, provided than an eligible lender may be approved by the Commissioner for the purpose of making multiple disbursements if the Commissioner determines that such lender will make a substantial volume of loans and that the lender's experience and administrative capacity are sufficient. The House recedes.

The House amendment, but not the Senate bill, provided that if borrowers eligible for interest subsidy benefits are studying at an eligible institution abroad then statements required from the institution to qualify for interest subsidies shall be provided by the Commissioner, or the State, or the State or private nonprofit institution or organization as the case may be. The Senate recedes.

The House amendment required the eligible institution to notify the lender or insurer of the loan of the borrower's enrollment status and last known address. The Senate bill authorized the Commissioner to prescribe regulations under which the institution must provide the latest known address and enrollment status upon request to the Commissioner, to the insurer, or the holder of the loan. The House recedes with an amendment requiring the institution to establish policies and procedures for notifying the holder or insurer of the loan of such change of enrollment status. Failure to meet this requirement under Part B would subject the eligible institution to limitation, suspension, or termination under Sec. 497A.

The House amendment increased the level of federal reinsurance payments to State and private non-profit guarantee agencies from 80 percent of losses to 100 percent except that: (a) if the default rate for any State or private non-profit guarantee agency exceeds 5 percent in any year the reinsurance rate declines to 90 percent for the excess between 5 percent and 9 percent (b) if the default rate for any State or private non-profit guarantee exceeds 9 percent the reinsurance rate declines to 80 percent for the excess over 9 percent, and (c) reinsurance is provided for accrued interest as well as principal.

The Senate bill provided for annual supplemental guaranty agreements between the Commissioner and State agencies which have guaranty agreements under section 428(c)(1) that provide for administrative cost allowances and reinsurance of 95 percent of the State's losses if State agencies conform standards of participation of students to present direct Federal program standards of student participation, as follows: (a) the State program authorizes $2,500 yearly individual loan limits, and $7,500 and $10,000 aggregate limits for undergraduate and graduate students respectively, (b) the State program insures all insurable loans at 100 percent, (c) the State program provides for the insurance of loans to part-time students, (d) the State program does not restrict access to loans for State residents, or students attending institutions within the State, and (e) the State program provides no restrictions on eligible residential institutions which are more onerous than the requirements of the Federal student loan insurance program; unless an institution is ineligible for participation under regulations providing for limitation, suspension or termination or not eligible because of a State constitutional provision.

The Senate bill provided for a further supplemental agreement under which a state agency could receive 100% Federal reinsurance if, in addition to complying with the conditions set forth above, it made eligible institutions eligible to be lenders under the same terms and conditions as in the Federal program.

The conference substitute merged the provisions described above and related differences as follows: in order to qualify for reinsurance at a rate higher than 80%, a state guarantee agency must enter into a supplemental agreement providing that they must—

(a) authorize yearly their aggregate loan limits identical to those prescribed for the Federal program by this statute;

(b) guarantee on insurable loans at 100%;

(c) provide for the insurance of loans to part-time students;

(d) provide for the insurance of loans to residents of the state whether they are attending an eligible institution in the state or outside the state;

(e) provide no restrictions on eligible residential institutions which are more onerous than the requirements of the Federal program (unless an institution is ineligible for participation under regulations providing the limitation, suspension or termination of such eligibility, or because of a State constitutional provision); and

[(f) provide for the insurance by the State agency of loans made by eligible institutions and]

(i) provide for the insurance of the State agency of loans made by eligible institutions and

(ii) assurances that the guarantors will report to the Commissioner annually concerning their administration of this provision.

Such provisions need not be the same as those provided under the Federal insurance program, but may not be arbitrary, capricious, or so designed as effectively to make the State's compliance with the provision an empty formality, or to exclude all, or virtually all school lenders.

If a State agency meets the requirements of such a supplemental agreement, and its default rate remains at 5 percent or less, its losses will be reinsured at 100 percent. If its default rate exceeds 5 percent and does not exceed 9 percent, its losses over 5 percent will be reinsured at 90 percentum. When its default rate exceeds 9 percent, the excess losses are reinsured at 80 percent.

(The default rate for purposes of this provision is defined as being the original principal amount of loans insured by it reduced by (i) the amount the insurer has been required to pay to discharge its insurance obligations under this part, (ii) the original principal amount of loans insured by it which have been fully repaid, (iii) the original principal amount on those loans which have not entered into repayment status because they are in the "grace" period after graduation or because they are in deferral status while the borrower is in the armed services or other specified forms of public service, and (iv) amounts repaid by the Commissioner because of death, disability or bankruptcy.)

In addition to setting reinsurance rates on the basis of the optional supplemental agreements, the Senate bill provided that states entering into such agreements could receive annual administrative cost allowance payments from the Commissioner not to exceed 2.5 per centum of the annual original amount of loans insured by them, subject to the supplemental agreement, and in repayment status in that year. The House amendment contained a provision reimbursing State agencies for a portion of administrative costs. The payment could not exceed 1 percent of the total principal amount of new loans insured in a fiscal year and one-fourth of the money had to be used for various services to promote lender participation in the program. Payments were to be made at least quarterly.

Under the conference substitute guarantee agencies are eligible to receive an administrative cost allowance equal to ½ percent of the total principal amount of the loans insured by them. The agencies must use one-half of this allowance for administrative costs of preclaims assistance for default prevention and collection of defaulted loans, one-quarter of the allowance for the administrative costs of promoting commercial lender participation, and the balance of the allowance may be used for other administrative costs. Guarantee agencies also may retain up to 30% of their collections on reinsured defaulted loans to cover administrative costs of preclaims assistance for default prevention and collection of defaulted loans. An agency which has signed a supplemental reinsurance agreement and further agrees to insure loans to all eligible students accepted for enrollment or attending an eligible institution within such agency's state, regardless of the state of residency of those students, may receive an additional administrative allowance equal to ½ percent of the total principal amount of the loans insured by it, and that allowance may be used for general administrative expenses.

The House amendment, but not the Senate bill, set the reinsurance rate for new State or non-profit private guarantee agencies at 100% for the first five years. After that the rate would be governed by the reinsurance rate provisions described above. The Senate recedes with an amendment directing the Commissioner to continuously monitor new agencies during this five year period. The managers want to point out that they are not inviting states to establish new state guarantee agencies indulge in imprudent lending practices, enjoy 100% Federal reinsurance for five years, and then pull out of the program. The Commissioner is instructed to keep the operations and default rates of newly created state agencies under careful and continuing scrutiny, and if he should conclude that such an agency is not carrying out its responsibilities under this part in a normally prudent manner, he is directed to intervene vigorously with such agencies in order to secure an improved performance, or failing that, to terminate their Sec. 428(b) agreements.

The Senate bill set forth further conditions on the optional supplementary agreements described above, that State agencies must meet specified administrative requirements, including sound fiscal procedures, adequate reporting and record keeping and maintenance of adequate reserve funds. The House recedes.

Existing law allows states to make direct loans to students, which can be insured by the Commissioner under the same terms and conditions as he insures loans from other lenders. The House amendment contained language to conform the *insurance rates* for such lenders to the *reinsurance rates* the amendment provided for State agencies which serve as guarantors, providing that state direct lenders whose default rates, as defined in the reinsurance rate provisions described above, are below 5%, will have 100% insurance. Those whose default rates exceed 5% but do not exceed 9% will have 90% insurance on such excess and those whose default rates are above 9% will have 80% insurance on such excess. The House amendment also provided for these state agency lenders, as for the state agency guarantors, 100% coverage during the first five years of their operation. The conference substitute includes the House provisions with an additional provision for 100% insurance to existing state direct lending agencies until 90 days after the end of the next regular session of the State Legislature after the enactment of this bill. An additional one-year delay is provided in the case of States whose Constitutions would have to be amended. The managers recognized that some states could not, for statutory or constitutional reasons, immediately come into compliance with the limits which this amendment imposes on state direct lenders, and the provision affords such states time to alter their statutory or constitutional arrangements in order to receive the 100% insurance coverage.

Under the House amendment, but not the Senate bill, guaranty agreements were to have included provisions for adequate and timely assistance by the parties to the agreement to States and lenders before the student loan goes into default. The House recedes.

The House amendment, but not the Senate bill, provided that where there is no State student loan insurance program covered by an agreement with the Commissioner, and a private non-profit agency which meets specified statutory criteria, applies to enter into such an agreement, the Commissioner must act on such an application within 90 days and notify the Committee on Labor and Public Welfare and the Committee on Education and Labor if such an application is denied. The Senate recedes with an amendment extending such period to 180 days and deleting the requirement that the Commissioner state the reasons for his actions.

The Senate bill, but not the House amendment, provided for the payment to each participating educational institution of $10 per year for each student receiving a guaranteed loan. Such payments were only for purposes specified in the Senate bill. The House recedes with clarifying amendment that such payments are not entitlements.

The House amendment, but not the Senate bill, provided for the payment of interest on the Commissioner's default payments to lenders. The Senate receded with an amendment providing that only claims which the Commissioner determines are valid claims which have met the standards of due diligence shall have interest paid from date of submission. Submitted claims which do not meet this standard shall not bear any interest. The interest payable would be the amount accruing to the date of "authorization by" the Commissioner, rather than "payment by" the Commissioner, as provided in the House bill.

The House amendment provided that the Commissioner would be allowed to contract with private collection agencies, state student loan insurance agencies or state guarantee agencies for recovery of defaulted loans in the Federal direct program. Such contract shall provide the practices of private collection agencies' collection shall be in accordance with standards set by the Commissioner. The Senate receded with an amendment striking the words "private collection agencies" and inserting in lieu thereof "private business concerns", and striking language which prescribed that in setting standards for such contracts the Commissioner would be determining that the contractor's practices are fair and reasonable. The managers retained the language that the practices had to be fair and reasonable, did not involve harassment, intimidation, false or misleading representation or unnecessary communications concerning the existence of any such loan to persons other than the borrower. In amending this House provision, the managers intend to assure that any outside concern with which the Commissioner has contracted should follow ethical practices, and that their selection for contract by the Commissioner would not carry with it any inference of a warranty by the Commissioner, or that such a concern was "approved by the United States Government". The managers wish to assure that no such contractual relationship be utilized by any concern or agency to give a misimpression of Federal Government authority to their operations in this or any other collection undertaking. The managers direct that any contract made under this authority contain specific provisions to prohibit any such erroneous representation.

The House amendment made a technical amendment to Section 431 (Standard Loan Insurance Fund) to meet procedural requirements of the new Congressional budget process. The Senate recedes.

The House amendment, but not the Senate bill, required the Commissioner to publish a quarterly report on loan volume and default data. The report was to show such data according to the type of original lender distinguishing between—

(i) eligible institutions
(ii) state or private nonprofit direct lenders
(iii) commercial lenders
(iv) other institutions and such subcategories as the Commissioner shall deem appropriate.

Senate recedes with clarifying amendments so that the reports are annual (not quarterly), that only reasonably retrievable data is included, that new data collection begins with the calendar year and that the restrictions on communications by the Commissioner are revised.

The Managers wish to emphasize the importance of this requirement. One of the major problems in the guaranteed loan program has been a widespread public confusion among various participants of the program. The program has been plagued with an annoying though understandable, ambiguity as to what kinds of lenders, borrowers, and guarantors were experiencing or causing various problems. A process of sorting out different types of lenders and their differing experiences in the program will be helpful, not only in clarifying public impressions of the program, but in assisting the Congress when next it must legislate in this field.

The House amendment repealed a long unused authority under Sec. 433 of the Act for the Commissioner to make direct loans to students at vocational schools. The Senate recedes.

The House amendment but not the Senate bill established new section 433 restricting the eligibility of states and educational institutions to be lenders to those having agreements with the Commissioner to comply with the limits set forth in this section. The House provision said that state direct lenders could not lend to more than 50% of the undergraduate students at any eligible institution in such a State. The Senate recedes with an amendment raising that figure to 75%. The effective date for this new section 433 is 60 days after enactment.

The House amendment prevented an eligible school from lending to more than 50% of its eligible undergraduate students. The Senate recedes with an amendment that such limitation could be waived by the Commissioner if its operation would work a hardship on the students at the institution.

The House amendment further provided that an eligible institution had to agree not to make any loan to an undergraduate student who had not previously received a loan from that institution unless the student provided the school with a statement from an eligible lender other than a state lender or school lender, that the student had sought a loan from such lender and had been refused. The Senate recedes with an amendment that if a student could not obtain such a statement from an eligible lender to whom the student had applied, and who had refused, the student could substitute a sworn statement that he had so applied, to such a lender, and had been refused. This provision of the conference substitute also contains the language of the House amendment which provides that an eligible institution will be deemed to have originated a loan if another eligible lender has delegated to it a substantial portion of the functions and responsibilities normally performed by a lender.

The Senate bill, but not the House amendment, excluded from the definition of eligible institution any school which employs or uses commissioned salesmen to promote the availability of the loan program at their school. The House recedes.

The House amendment, but not the Senate bill, expanded (for the guaranteed loan program) the definition of institution of higher education by including public or other nonprofit institutions which admit as regular students non-high school graduates who are beyond the age of compulsory school attendance. The Senate recedes. The managers wish to reiterate that the intention of this amendment (which, in fact, merely conforms to a similar amendment made to title XII of HEA), is to *expand* the universe of schools and students eligible to participate. There is no intention to exclude students at any school now eligible, from participating in the loan program.

The House amendment but not the Senate bill changed the definition of eligible lender—

(a) by barring commercial lenders whose primary consumer credit function is the making or holding of guaranteed loans;

(b) by requiring school lenders to have at least one full-time financial aid administrator;

(c) by barring home-study schools as lenders; and

(d) by permitting the Commissioner to set further criteria for school lender participation.

The Senate recedes with an amendment retaining in the definition only items (a), (b) and (c) as listed above, and with the understanding among the Conferees that primary consumer credit function means more than half of consumer credit business of the lender is in loans insured under Part B.

The Senate bill, but not the House amendment, excluded from the definition of eligible lender any school at which, for each of two consecutive years, the default rate on loans made to students at such school reaches 15 percent. The Commissioner could waive this provision and provide technical assistance to a school where he determines that they can improve their performance within a year, or that termination of lender status would work a hardship on the present or prospective students of that institution. The House recedes.

The Senate bill requires that, before the Commissioner can deny a certificate of insurance to a school lender, he must ascertain that access to loans by all who make an active and diligent effort to secure a loan will otherwise be unavailable. In connection with this provision, the Commissioner must periodically assess the availability of loans by studies and surveys made by him and of properly conducted studies made by others.

The conference substitute amends section 423 of the Act, which governs the issuance of certificates of insurance. Under this provision, as revised, the Commissioner cannot deny because of any provision of this section, the continuation of an agreement for a school to act as a lender which the Commissioner has issued, as an administrative practice, to carry out provisions of Section 423, or an individual certificate of insurance to an eligible institution acting as a lender if such lender has previously entered into an agreement with the Commissioner under Section 433 or existing provisions of law this amendment incorporates in section 433, unless the Commissioner makes the determinations that students who make an effort are able to obtain loans from another lender. The Commissioner is directed to undertake studies and surveys of loan availability so that he may carry out this provision. The Commissioner shall also review studies of loan availability undertaken by schools, lenders, and guarantee agencies, and other competent organizations. He is expected to encourage such organizations which are able to make studies by affording them technical assistance, data sharing, and study or design of studies to increase their usefulness to him in carrying out responsibilities under this section.

Managers note that documentation required under section 433(a) of the conference substitute can serve as one possible source of data by which the Commissioner can make the determinations required by this subsection.

The House amendment defines "due diligence." The Senate receded with clarifying amendments. In implementing this definition, the Commissioner is directed to take such steps as may be necessary to assure that the specific elements of due diligence are not used as a pro forma check list so that lenders avoid taking the same precautions on Federal guaranteed loans as they take when collection of their own loan funds are being made. By conforming due diligence to practices of financial institutions, the Managers recognize that lender practice varies geographically and by type of lender. The Commissioner is given flexibility to assure that each lender is making a bona fide effort as measured by comparable lender practices before any claim is paid.

The House amendment, but not the Senate bill, provides for the repayment by the Commissioner of the full amount of any indebtedness under this program, including state guaranteed loans discharged in bankruptcy. The Senate recedes.

The House repealed the Emergency Insured Student Loan Act which now provides authority for the Secretary of HEW to establish the quarterly special allowance rate payable on each loan insured under this part. Present law establishes a 3 percent ceiling on the allowance. The House amendment provided that the special allowance shall be set automatically each quarter at a rate (between one and five percent) which is 3½ percent below the market rate on 91-day Treasury bills averaged over the preceding quarter.

The House amendment also required that the Commissioner pay interest on special allowance and interest benefit claims beginning 31 days after the receipt of those claims by the Commissioner.

The Senate bill extended the existing provisions of the Emergency Insured Student Loan Act through 1982, and provided for the establishment of a committee to propose alternative methods for the determination of the special allowance. The Committee recommendations were to be submitted to the House Education and Labor and Senate Labor and Public Welfare Committee. Upon the concurrence of those Committees such alternative method would have gone into effect immediately. In effect the conference substitute adopts the House procedure for setting a special allowance, making it effective for the quarter beginning on January 1, 1977, but setting the range within which such allowance may be paid prior to October 1, 1977 at between zero and three percent the maximum prescribed in current law. After October 1, 1977, the ceiling under this procedure rises to five percent as authorized in the House Amendment.

Simultaneously, a Committee, substantially as provided for in the Senate bill, will be appointed, and charged with examining alternative methods of setting the rate of the special allowance. The Committee is to be composed of Federal officials and representatives of the areas of expertise enumerated in the Senate bill. The Senate recedes from its proposal that the new method would be established after consultation and with the concurrence of, the appropriate committees of the Congress. Instead, the Committee is directed, not later than October 1, 1977, to present its findings to the Congress for such legislative action.

The substitute provides for the repeal as of October 1, 1977 of the Emergency Student Loan Insurance Act, which contains the authority for the present method of computing the special allowance, as provided in the House amendment, with a proviso that no special allowance payments are to be made under that act once the procedure under Sec. 438 is in operation.

The managers recognize that the scope of the conference did not permit them to put the new automatic rate mechanism into effect immediately, but in the interest of a smooth and expeditious transition to the kind of predictability which all lenders have urged be instituted in this area of the program, the managers do urge upon the Secretary that he adopt the procedure set forth in the conference substitute in his calculation of the special allowance for the remaining quarters of the operation of his authority under the Emergency Student Insured Loan Act, and that he publicly announce to the lending community that he is so doing. This would be an act which would perceptibly heighten lender confidence in the program.

The House amendment, but not the Senate bill, provided that the Student Loan Marketing Association shall for purposes of jurisdiction in civil action be deemed to be a resident of the District of Columbia. The Senate recedes.

The House amendment and the Senate bill both provided for a five-year delay in the discharge in bankruptcy of any loan insured under this program. The House amendment allowed earlier discharge only if the repayment of the loan will impose an undue hardship on future income or wealth. The Senate provision was effective 30 days after enactment. The House provision was effective on September 30, 1977 or one year after enactment, whichever is later. The Senate recedes with an amendment specifying that the finding of hardship will be made by the appropriate court.

The House amendment made the new provision for advance payments, the provision for a one percent administrative allowance, and the provision for the new special allowance procedure effective October 1, 1977. All other GSLP amendments made by the House amendment were effective on or with respect to loans for school terms beginning after October 1, 1976. The Senate bill contained a general effective date of 30 days after enactment, unless otherwise specifically noted. The conference substitute makes all new provisions effective on or with respect to loans made for periods of enrollment beginning after October 1, 1976, except that the new provision for advance payments under Sec. 422(c) is effective October 1, 1977. The administrative allowances provided for under Sec. 428(f) is effective upon enactment and the income limit for subsidized loans under Sec. 428(a)(2)(B) is effective 30 days after enactment. The new procedure for establishing the special allowance rate goes into effect the quarter beginning January 1, 1977.

The House amendment provided felony penalties (up to five years imprisonment or $10,000 fine, or both) for persons who embezzle, misapply, steal, or obtain by fraud, false statement, or forgery, any funds in any program in title IV. If the funds involved are less than $200, misdemeanor penalties (up to one year imprisonment, or $1,000 fine or both) were provided. The Senate bill contained several provisions applying criminal penalties only to the Guaranteed Loan Program, the bill provided felony penalties for persons who destroy applications or records with intent to defraud the United States; and also provided misdemeanor penalties for persons (a) making false statements in regard to USOE recognition of an accrediting agency, (b) making false statements in the assignment of a loan, and (c) bribery in making or acquiring by assignment a loan. The Senate bill, but not the House amendment, provided that all funds under title IV must be maintained as separate accounts and not comingled with any other funds, except as expressly provided in this title (i.e., in matching programs such as work-study, direct loans, and state student incentive grants). The House recedes with a substitute amendment which applies new criminal provisions of law only to activities carried on under the Guaranteed Student Loan Program. The substitute provides felony penalties for any person convicted of embezzlement, fraud, theft, forgery in the program, and misdemeanor penalties for those supplying false information in connection with a determination of institutional eligibility or loan assignment. Unlawful payments in connection with loan assignment are also outlawed. The managers have included prohibitions on these activities when done in connection with the Guaranteed Student Loan Program. This, however, should not be construed to mean that the managers believe that 18 U.S.C. is inapplicable to this or other programs carried out under the provisions of federal education statutes.

College Work-Study

The Senate bill extended the Work-Study authorization through fiscal year 1982. The House amendment made Work-Study a permanent program. The House recedes with an amendment extending the program through FY 1982.

The House amendment, but not the Senate bill, defined the term eligible institution to include consortia. The Senate recedes.

Current law permits college work-study students to be employed on work in the public interest for a public or private non-profit organization. The Senate bill, but not the House amendment, substituted the phrase "Federal, state or local public agency" for "public". The House recedes.

The Senate bill prohibited an institution from terminating a student's work-study employment during a semester, solely on the grounds that he has independently sought additional employment, and that his combined salaries exceeded the institution's determination of his need for that semester. The House amendment provided that an institution was not required to terminate a student's employment solely because the student had earned enough to meet his documented need. The student's employment could continue after meeting his computed need, but the institution could not use work-study funds to pay the student. The conference substitute draws on the intent of both the House and Senate to give more flexibility in the awarding of student aid, with the intent of allowing a student to continue his employment during any semester without the institution's having to "recapture" other aid previously awarded to the student. The managers recognize the need to coordinate all student aid and the fact that this program is meant to meet "documented need." We believe there is a need, however, to reduce the present discouragement toward employment. The managers note that, for the conference substitute to be meaningful, the Commissioner must adjust his regulations for the Supplemental Education Opportunity Grant program and the National Direct Student Loan program. The conference urges the Commissioner to implement the new provision in work-study by immediately notifying schools of this change and amending his regulations to allow for a $200 technical "overaward," rather than the current $100, when the student's income is derived from employment.

The Senate bill, but not the House amendment, required participating institutions to assure that they would make work-study or equivalent employment reasonably available to the extent of available funds to all students in the institution who desire such employment in lieu of present language requiring such employment to be made available to all "eligible" students in "need". The House recedes with an amendment retaining only that part of the Senate bill which requires institutions to seek to make equivalent employment available to all students who desire such employment.

The Senate bill, but not the House amendment, required the employment of student counselors with work-study funds on the basis of a formula related to school enrollment. Such counselors shall provide students with information and counseling described in Section 493A. The conference substitute drops this mandatory language from the work-study authority but, in their agreement with regard to student information services, gives substantial emphasis to the concept of peer counseling. The managers endorse the idea of using student peer counselors to assist financial aid officers in making useful and accurate information available to students. Many institutions are already successfully using students for this purpose. We are also interested in other means to improve information services on campuses. Nevertheless, the managers consider peer counseling an important proposal and will carefully evaluate the information generated by the requirements in Section 131.

The Senate bill, but not the House amendment, extended existing authority for the program of Work-Study for Community Service Learning (Sec. 447). The Senate recedes.

The House amendment, but not the Senate bill, created a "job location and development program" permitting eligible institutions to use not more than 10 percent or $15,000 from their work-study allocation separately or in combination with other institutions or through a contract with a non-profit organization to locate and develop off-campus student jobs. The Federal share of the costs of such program was not to exceed 80 percent. Maintenance of effort and non-displacement provisions were included. The Senate recedes.

Cooperative Education

The Senate bill extended the Cooperative Education Program through FY 1982. The House amendment moved Cooperative Education to title VIII and made it a permanent program. The conference substitute extends the Cooperative Education Program through fiscal year 1982, and makes it a new title VIII of the Act.

The House amendment, but not the Senate bill, allowed grants to be made to combinations of institutions. The Senate recedes.

The Senate bill raised the maximum grant to a single institution from $75,000 to $150,000.

The House amendment raised the maximum grant to $200,000 for a single institution, but provided that the grant to a combination of institutions not exceed $150,000 times the number of institutions in the combination. The House recedes with an amendment setting the maximum grant at $175,000 for a single institution, or $125,000 per instution for institutions within consortia.

The House amendment, but not the Senate bill, added a requirement that program applications specify the portion of the program which will be performed by other non-profit institutions and organizations, and the compensation to be paid to them. The Senate recedes.

The House amendment, but not the Senate bill limited the required reports by applicants to "such reports . . . and records as are *essential*" in lieu of present requirements of "such reports . . . as the Commissioner may reasonably require . . .", and limited the gathering of other information to such as "is essential", instead of whatever "the Commissioner may deem necessary." The Senate recedes.

The House amendment extended the length of an institution's permitted participation in this grant program from a maximum of three years to a maximum of five, with the requirement that the Federal share of the total program could not exceed 100% in the first year, 80% in the second year, 60% in the third year, 40% in the fourth year, and 20% in the final year, and forbidding the Commissioner to waive this phaseout schedule. The Senate recedes with an amendment changing the ceiling on the Federal share to no more than 90% in the second year, 80% in the third year, 60% in the fourth year, and 30% in the final year. It is the intent of the managers that an institution which is in the third (or earlier) year of a co-op project under existing law may be eligible for additional years up to a total of five, but that the ceiling on the Federal share should be calculated as though this provision had been in effect from the beginning of such project. (e.g., an institution now in its third year may receive support for that project for two additional years, with a Federal ceiling of 60% in the next year, and 30% in the final year.)

The conference agreement does not contain the House definition of administrative costs. The managers expect that the Commissioner will appropriately define such costs.

The House amendment, but not the Senate bill, added a new requirement that directs the Commissioner to give priority to programs which show the greatest promise of success because of (1) the extent to which programs in the academic discipline with respect to which the application is made have had a favorable response from employers or (2) the commitment of the institutions to cooperative education as demonstrated by the size and scope of the program. The conference substitute amends this subsection to direct the Commissioner to give special consideration, among other factors, to those projects which show the greatest promise of success on the basis of their favorable response among employers, and the commitment of the institutions to cooperative education, but striking reference to "size and scope" of such commitment. The managers recognize the difficulty of measuring intensity of commitment by purely quantitive indicia, but they continue to support the basic purpose of this provision which is to focus Federal seed money under this title to those institutions who are likely to begin a serious on-going cooperative education program and to invest their own time, energy and resources in it after the Federal money is no longer there.

National Direct Student Loan Program

The House amendment required that the institution submit, at least semi-annually, a report describing the total number of its loans which have been in default for 120 days, in the case of loans repayable in monthly installments, or 180 days in the case of loans repayable in less frequent installments, allowed the eligibility of a student who is not in good standing for loan payment to be suspended without notification to the Commissioner, allowed loan repayment to begin earlier than 9 months after the student leaves school, if the borrower so requests and the school agrees, and allowed the student to repay his loan at less than $30 per month (current minimum) where this is necessary to avoid hardship, but without extending the 10-year repayment period. The Senate recedes with an amendment restricting the student's right to have his $30 per month repayment obligation reduced, to a period not to exceed one year.

The Senate bill repealed the cancellation provisions of section 465 for all loans made after the enactment of this bill. The Senate recedes.

General Provisions

The House amendment increased the present ceiling of $125,000 on the amount an institution may receive as reimbursement for its costs of administration to $225,000, and increased the allowable payment to 5% of the administration's allocation. The Senate bill increased this ceiling to $400,000, and provided for the allocation of these funds [and payments of $10 per guaranteed loan and $15 per basic grant] for its new section 493A providing for institutional and financial aid information services to students.

The House amendment required institutions to use the money received under this section exclusively to meet the costs of providing financial aid services directly to students. The Senate bill required institutions to provide information to prospective and enrolled students regarding financial assistance, including data on availability and eligibility for student aid, the costs of attendance, the refund policy and the institution's academic program.

The House amendment, but not the Senate bill, required each institution having an agreement or contract under title IV to establish a fair and equitable refund policy pursuant to regulations to be developed in concert with student organizations, other interested parties, and relevant federal agencies. The institutions also must produce and circulate appropriate publications and mailings to current and prospective students. Institutions participating in student assistance programs must also provide assurances to the Commissioner that the availability of such assistance has not and will not result in an increase in charges to federally aided students.

The Senate bill required designation of one or more persons who, in the aggregate, shall be available on a full time basis, to perform the functions of a student financial aid officer, subject to waiver by the Commissioner. The Commissioner could issue regulations for carrying out these provisions, and for one year after enactment, waive any provision where an institution was making satisfactory progress and would be able to comply within such one year period. The House recedes with amendments increasing the ceiling on administrative allowances to $325,000 per institution, and lowering the rate of administrative allowance from 5% to 4% of the allocation. Elsewhere in the substitute, the House receded on the $10 payment per guaranteed loan, and the $15 payment per basic grant, with an amendment reducing the latter to $10.

The House recedes on the Senate student information provisions, with amendments delaying the effective date of the student information requirements on educational institutions (but *not* of the payments otherwise linked with them) until July 1, 1977. The conference substitute requires that the Commissioner's dissemination of materials begin within 120 days of enactment.

The managers did not accept a House provision which would have given to the Commissioner considerable authority to set criteria for "fair and equitable" refund policies. The conference substitute requires institutions to publish information about their refund policies. The managers state that they do not intend this new requirement to be used to justify federal regulations specifying the exact criteria institutional refund policies must meet.

The Senate bill expanded the Commissioner's authority (now in the guaranteed loan program) only for limitation, suspension or termination of the eligibility of an institution to 3 programs—basic grants, work-study, and direct loans—if he has determined, after affording due notice and opportunity for a hearing, that such institution has violated regulations under this section. The House amendment gave the Commissioner the same limitation, suspension, and termination powers for eligibility of institutions under all programs of this title; provided that no suspension should exceed 60 days, unless the institution and the Commissioner agree to an extension or unless limitation or termination proceedings are initiated within that period of time. The Senate recedes with an amendment clarifying that the Commissioner must initiate such proceedings.

The Senate bill, but not the House amendment, authorized the Commissioner to enter into special arrangements for the carrying out of this section with institutions where basic grant recipients are enrolled. He was authorized to include relevant provisions in his regular agreements under the work-study and direct loan programs. The House recedes. The managers want to emphasize that these special arrangements are not to be considered as contracts within the meaning of the Family Educational Rights and Privacy Act.

The House amendment, but not the Senate bill, provided for the suspension or termination of institutions determined to be guilty of false advertising or substantial misrepresentation. The Senate recedes with an amendment striking references to false advertising which the managers believe is included in substantial misrepresentation.

The House amendment extended the section 438 limitation, suspension, and termination regulations, currently in force, for the guaranteed loan program until the Commissioner's new regulations amend or supersede them, and provided that within 90 days after the effective date of this subsection, the Commissioner must issue a revision of section 438 regulations to make them applicable to all of Title IV of the Act. The Senate recedes, with an amendment changing the 90 day period for revision of regulations to 180 days.

The House amendment, but not the Senate bill, added a new Section 499A to establish a program of Federal-State matching funds to establish State programs to train student financial aid administrators. The Senate recedes.

Section 499 of the Higher Education Act, as it presently reads, established, in the Office of Education, an Advisory Council on Student Financial Aid. The House amendment utilized section 499 for other language in effect repealing this provision. The Senate bill was silent in effect continuing the provision. The House recedes.

The House amendment, but not the Senate bill, added a new section 499B, that provides for ratable reductions when funds are unavailable for paying entitlements under title IV. This provision would apply only in the event that the statute creating the entitlement provided no alternative method of reducing payments, and does not apply to the guaranteed loan program. The House recedes with an amendment.

The House recedes with the understanding among the managers that the House Amendment is unnecessary in that each program in Title IV, other than the entitlement provisions of Part B, is governed by ratable reduction provisions or alternative methods of reducing payments.

The House amendment, but not the Senate bill, permitted the student to receive assistance under title IV only if he is maintaining satisfactory work in his course of study. The Senate recedes.

The House amendment, but not the Senate bill, permitted the student to receive assistance only if he does not owe a refund on previous grants received or is not in default on loan made under this title. The Senate recedes with an amendment limiting this provision to grants or loans made for attendance at the institution the student is attending.

The Senate bill empowered the Commissioner to prescribe audit and fiscal responsibility regulations, for institutions which receive funds under the basic grant, work-study, and direct loan programs. The House amendment extended similar authority to the Commissioner with respect to all other title IV programs. The Senate recedes.

The Senate bill required that the Commissioner, in consultation with the Secretary of Labor, prepare a report on the TRIO programs and the HEP and CAMP programs administered by the Department of Labor so that Congress might reach an informed determination as to their proper organization and needed interrelation. The House amendment gave the Commissioner 180 days to prepare such a report with the Secretary of Labor, so that it may be determined if and to what extent these programs should be restructured and administered by the Office of Education The conference substitute contains an amendment requiring consultation with the Secretary of Labor only "where appropriate". The requirement is addressed to a study of the "Trio" programs which are only administered by the Office of Education, and to the HEP/CAMP programs, which are currently administered by the Department of Labor, it is not considered appropriate to involve the Secretary of Labor in consultations regarding the "Trio" programs.

The House amendment directed the Secretary of Labor to administer and fund the HEP and CAMP programs from funds appropriated through section 303 of C.E.T.A. Such funding must be maintained at existing levels for FY 1976. The Senate recedes.

AUTHORIZATION LEVELS—TITLE IV

Most of the "dollar differences" between the Senate bill and the House amendment with regard to student financial assistance, arose only in connection with, and were resolved with, the duration question.

Those student aid programs on which the two Houses had other differing dollar figures were as follows:

1. Special Services for Disadvantaged Students. The Senate bill authorized $200 million for each year, the House bill $250 million. The House recedes.

2. Educational Information Centers. The Senate bill authorized $50 millon per year, the House authorized no such program. The House recedes.

3. College Work-Study. The differences and resolutions were as follows:

Fiscal Year 1977—Senate: $420 million; House $540 million. Conference: $480 million.

Fiscal year 1978, 79, and 80—No difference.

Fiscal year 1981—Senate: $670 million; House: "such sums." House recedes.

Fiscal year 1982—Senate: $720 million; House: "such sums." House recedes.

4. Cooperative Education. The differences were as follows:

Fiscal year 1977—Senate: $16.5 million; House: $16 million.

Fiscal year 1978—Senate: $22.5 million; House: $20 million.

Fiscal year 1979—Senate: $28 million; House: $24 million.

Fiscal year 1980, 81, and 82—Senate: $28 million; House: $27 million.

The House recedes.

AMENDMENTS TO TITLE V—EDUCATION PROFESSIONS DEVELOPMENT

The Senate bill repealed all of the existing title V (Education Professions Development Act) effective September 30, 1976, except the teacher corps program, and added new authorities for teachers training programs, all through fiscal year 1982. The House amendment extended current title V programs, without change, at the existing authorization level of $450 million through fiscal year 1977. The House recedes with amendments discussed below.

Teacher Corps

The Senate bill broadened the purpose of the Teacher Corps to reach "other educational personnel." The House recedes.

The Senate bill extended the time the Commissioner may contract for a teacher corps program from two years to five. The House recedes.

The Senate bill struck existing langauge limiting teacher teams to an experienced teacher and teacher-interns and substituted the concept of a "teacher corps program" including teachers, teacher-interns and other educational personnel. The House recedes with an amendment that permits, but does not require, local educational agencies to afford released time for training programs.

Existing law authorizes technical assistance to local educational agencies and institutions of higher education. The Senate bill authorized such assistance to State educational agencies and expands the authority to including "planning, monitoring, documenting, disseminating and evaluation services". The House recedes.

The Senate bill required the election of a council to assist each Teacher Corps project in planning, carrying out, and evaluation; the

Commissioner may pay administrative expenses of each council. The House recedes with a technical amendment.

The Senate bill required the Commissioner to establish procedures for requiring a ratio in Teacher Corps of five currently employed teachers to one person who is not so employed; waiver is allowed, with a report to Congress if used. The House recedes with an amendment that changes the personnel ratio provided in the Senate bill to a goal. The managers understand that Teacher Corps projects now involve as many as 10 times the number of currently employed teachers as those who have not previously been employed as teachers. The intent of the revised Section 513(f) is to involve somewhat greater numbers of younger inexperienced persons who desire to prepare for a teaching career through participation in Teacher Corps, but who have not previously been employed by a local educational agency. These inexperienced individuals include both those with college degrees qualifying them for certification and those without teaching credentials. The goal of approximately one such person to approximately five teachers is a goal for the whole program, not necessarily to be reflected in each individual project.

The Senate bill required that specific criteria be established for entering into authorized arrangements under this title and that such criteria be used in selecting proposals. The House recedes.

The Senate bill authorized the Commissioner to compensate local education agencies for any personnel participating in Teacher Corps under released time. The House recedes. The managers accept this authority with the understanding the Commissioner will use the authority in a limited way only when he determines that a particular local education agency is confronted with unusual financial difficulties such that the continuation of the Teacher Corps program would be jeopardized without federal compensation. The managers further expect that compensation will be necessary for only a few days per month during the school year.

The Senate bill required the National Center for Education Statistics, subject to the guidance and supervision of a Council established under the Senate bill to conduct surveys on teacher availability, demand, training needs, etc., and submit an annual report to Congress. The managers agreed to a substitute giving the National Center for Education Statistics less extensive responsibilities which are aimed at more clearly identifying current and projected needs for qualified education personnel. The managers feel strongly that both schools and institutions of higher education can do better planning and develop better programs if there is a continuing survey of educational needs and an assessment of the personnel available and needed to meet those needs. The managers expect that the Secretary of HEW will take into account this new responsibility for NCES in selecting new members for the Advisory Council so that the membership of the Advisory Council contains experts in the area of assessing the supply and demand of education personnel.

Senate bill directed the Commissioner to appoint a 15-member Council on Teacher Training Surveys and Assessments which, at least once a year, would assess the availability of qualified teachers and administrative personnel to meet service needs in national priority education areas. Such areas are those which require legislation or a report from the Council. When the Council determines such a need, it shall report to Congress, after having published for comments in the Federal Register. It shall then submit to the Congress a plan for carrying out its recommendations and publish the plan in the Federal Register. *Within 90 days, the Commissioner shall* submit a cost estimate to Congress. The plan shall be implemented only upon a specific appropriation. The Senate recedes.

Teacher Centers

The Senate bill authorized the Commissioner to make grants to local education agencies to assist in planning, establishing, and operating teacher centers to develop and produce curricula and provide in-service training. Each teacher center is to be operated under the supervision of a policy board. State agency approval of any application to the Commissioner for a teacher center is required. Any local education agency may appeal to the Commissioner for further consideration by the State agency when it is dissatisfied with the action of the State agency. The Commissioner is to assure that state agencies provide technical assistance and compensate state agencies for these services. Teacher centers may contract with institutions of higher education. The Commissioner may grant 10 percent of the funds to institutions of higher education to operate teacher centers. The House recedes with an amendment providing that at least one representative on each policy board must be designated by institutions of higher education in the area which have departments or colleges of education and insuring that the classroom teachers on each policy board fairly reflect the makeup of all teachers, including special education and vocational education teachers. The managers intend this provision to permit a local education agency to place parents of children or other non-teachers on the policy board. The managers note that NIE has been involved in Teacher Centers, as have several State and local governments. We expect the Commissioner to develop and coordinate the implementation of this new authority with these other agencies.

Training of Higher Education Personnel

The Senate bill authorized a new program of Training for Higher Education Personnel, providing grants to institutions of higher education for the training of (1) individuals preparing to serve as faculty or staff in higher education if such individuals are either (A) from cultural or educational backgrounds which have hindered them in achieving success in education, or (B) preparing to serve in educational programs serving students from such backgrounds; or (2) individuals already serving as faculty or staff if they are to be trained to meet changing personnel needs. The House recedes.

The Senate bill limited grants under this section to costs of courses of training, including institutes and symposia, and to fellowships and traineeships. The House recedes with an amendment deleting the authority to make grants for fellowships and traineeships. The Senate bill allowed the Commissioner to provide for stipends to individuals assisted under this section. The Senate recedes.

Graduate Programs

The Senate bill authorized a new program of Grants for Improvement of Graduate Programs of Education; grants would go to institutions of higher education for a wide range of uses related to graduate education programs. The Senate bill excluded grants to institutions which do not have accreditation from a nationally recognized accrediting agency which is determined by the Commissioner to be a reliable authority on teacher training programs. The Senate recedes.

AMENDMENTS TO TITLE VI IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

The Senate bill, but not the House amendment, authorized the Commissioner to waive maintenance of effort requirements under Title VI under objective criteria of general applicability. The House recedes with an amendment that would permit an institution of higher education to use either aggregate expenditures or full-time equivalent enrollment as the basis for determining whether it had maintained effort.

AMENDMENTS TO TITLE VII ACADEMIC FACILITIES

The House amendment amended the purpose of title VII throughout to include the renovation and modernization, as well as the construction of academic facilities. The Senate bill dealt separately within the title with loans for reconstruction and renovation. The conference substitute permits title VII grant and loan funds to be used for reconstruction and renovation.

The House amendment, but not the Senate bill, changed the 24 percent setaside of the title VII appropriation for public community colleges and technical institutes. to a floor of the same amount. The Senate recedes.

The House amendment, but not the Senate bill, provided that the Commissioner may not disapprove a State plan unless he determines after opportunity for hearing and comment, that the plan is inconsistent with specific provisions of the title. The Senate recedes with a technical amendment insuring that there be "reasonable notice" and opportunity for hearing.

The House amendment provided that a project will be eligible for title VII grant funds if it will result in increased institutional ability to significantly economize on the use of energy. The conference substitute provides that funds for energy conservation projects are to be authorized in a new section 771 of the Act. It also incorporates a provision that insures that the purposes of grants would encompass expansion of extension and continuing education in off-campus locations.

The House amendment, but not the Senate bill, added to the criteria which the Commissioner must set for State plans, special priority and consideration for programs aimed at energy conservation (applicable at the institution itself, or applicable to the physical plants of other enterprises), and at meeting the costs and requirements of environmental protection, safety, and health programs mandated by law. The Houses recedes with an amendment providing that authority for using loan and grant funds for these purposes will be incorporated in section 771 and that no special priority will be required for such projects in State plans.

The Senate bill, but not the House amendment authorized the Secretary to make grants for the construction of facilities for model intercultural programs. The House recedes. The conference agrees to this discretionary authority for making special purpose grants for model intercultural programs with the understanding that adequate notice will be given to all interested institutions, with a reasonable time to make an application, and that all applications received will be given equitable treatment in the making of any decisions on federal funding.

The House amendment, but not the Senate bill, limited loan eligibility to projects which will aid in reaching the goals established in section 705(a). No special preference for particular projects is incorporated in the conference substitute.

The Senate bill, but not the House amendment, provided that the interest paid on the construction loan program loans shall not be less than one-quarter of one percentage point above the average annual interest rate on all interest bearing obligations of the United States, striking the 3 percent ceiling in present law. The Senate recedes.

The Senate bill, but not the House amendment, prohibited the Commissioner from foreclosing on any loan if he determines that the recipient is unlikely ever to be capable of repaying such a loan. The Senate recedes.

The Senate bill authorized the Commissioner to grant a temporary moratorium on repayment of principal or interest on a loan if the borrower is temporarily unable to make repayment without undue financial hardship and if the borrower presents, and the Commissioner approves, a repayment schedule. The House recedes.

The Senate bill authorized the Commissioner to accept up to 75 percent of the institution's current obligation as full payment of its loan obligation, if the payment is made prior to October 1, 1979. The House recedes with an amendment requiring the amount to equal 75 percent of the current obligation on the loan.

Present law provides for an annual increase of $13 500,000 in the ceiling on the payment of interest grants. The Senate bill continues this automatic increase through October 1, 1981. The House amendment provided for increases through January 1, 1976. The House recedes with an amendment extending the authority through fiscal year 1979.

The Senate bill added a new section 747 to part C, authorizing reconstruction and renovation loans from unused amounts in the fund under section 744. to fund energy conservation projects, to come into compliance with Federal health and safety laws, or with the Architectural Barriers Act of 1968. The Commissioner is directed to consult appropriate Federal agencies to determine project eligibility. The conference substitute incorporates these provisions in a new part E of title VII. Under the Senate bill, loans were to be repaid in no less than 20 years and were to be interest-free if paid in five years. The conference substitute retains the 20-year limit, but drops the early repayment premium.

Present law explicity excludes health professions facilities under this Title. The House language permitted funding for projects to improve the energy efficiency of such facilities. The Senate recedes with an amendment to clarify the House provision. It is not the intention of the managers to change in any way the basic thrust of present law. Schools defined in the exclusionary language and facilities used for such schools remain barred from access to Title VII as a source of funds for the construction of new facilities, or their renovation or reconstruction, except in those circumstances where a project designed to increase the efficient use of energy resources on a given campus involves renovation or reconstruction of an energy facility which also happens to be an energy source (e.g. heating, lighting, air conditioning) for such an otherwise excluded facility.

AMENDMENTS TO TITLE VIII NETWORKS FOR KNOWLEDGE

The Senate bill extended the authorization for Networks for Knowledge through fiscal year 1982. The House amendment terminated this program. The Senate recedes.

AMENDMENTS TO TITLE IX GRADUATE PROGRAMS

The Senate bill extended HEA, title IX, part A (Grants to Institutions), part B (Graduate Fellowships), part C (Public Service Fellowships) and part D (Fellowships for Other Purposes), with amendments; created a new part E (Annual Report); and repealed part F. The House amendment extended existing law (Parts A, B C, D) and (F) (Graduate School Assistance). The House recedes.

The Senate bill changed existing law to give the Commissioner authority to award all fellowships on such bases as he may determine (current law stipulates that at least one-third shall be awarded to individuals accepted for study in approved graduate schools of their choice). The House recedes. By dropping the mandatory requirement that at least one-third of the fellowships be granted directly to students, the managers intend that all fellowships under this part shall be awarded to students based on merit and that such students shall be allowed to choose which institutions, from among those approved by the Commissioner, they wish to attend.

The Senate bill expanded current law to allow for fellowship recipients to be preparing for careers other than academic careers at some level beyond the high school. The House recedes.

The Senate bill dropped the current requirement that one-half of new fellowship recipients must have demonstrated competence outside of higher education for two years subsequent to completion of their undergraduate study and includes a more general "consideration be given" to individuals with experience outside the academic setting. The House recedes. The managers intend this provision to provide the Commissioner with increased flexibility for awarding fellowships in order to provide a broader base of potential recipients within the framework of priorities and procedures stipulated in Section 923(b).

AMENDMENT TO TITLE X COMMUNITY COLLEGES

The House amendment, but not the Senate bill, provided that the Commissioner may not disapprove a State plan under title X unless he determines, after opportunity for public hearings and comment, that it is inconsistent with requirements of this section of the statute.

The Senate recedes with a technical amendment providing for "reasonable notice" and the opportunity for public hearings.

The House amendment, but not the Senate bill, broadened the purpose of expansion grants to include in section 1014(b) authorizing grants to existing community colleges to help them in adapting educational programs and educational delivery systems to provide programs especially suited to those whose educational needs have been inadequately served, specifically, the handicapped, older persons, part-time students, and others who otherwise would be unlikely to continue their education. A new subsection (c) would provide for grants to assist institutions in expanding their enrollment capacity and in establishing new sites. The amendment provided for the funding of all approved applications under subsection (b) before funding any other applications under subsection (c) or any other provisions of this subpart of title X, dealing with establishment and expansion grants. The Senate recedes.

The House amendment, but not the Senate bill, amended provisions for leasing grants from 5 years to 3 years. The maximum Federal share was fixed for the 3-year period on a declining scale of 90 percent for the first year, 50 percent for the second year, and 10 percent for the third year. The House recedes.

The House amendment, but not the Senate bill, made three changes in the definition of a community college for purposes of this title as follows: (a) in section 1018(2) the words "at least 18 years of age" are stricken, and the words "beyond the age of compulsory school attendance" are inserted; (b) in section 1018(3) the words "two-year" are stricken before "postsecondary"; and (c) the words "and also provides programs of postsecondary, vocational, technical, occupational, and specialized education" are stricken at the end of section 1018(3). The Senate recedes on all three changes.

The managers accepted House proposals to amend the definition of eligible institutions for purposes of title X so as not to exclude any institution which is serving the educational needs described in this title. The managers wish to stress that the institutions to benefit under title X must continue to be institutions which offer comprehensive curriculums including both academic and occupationally-related programs. The managers also wish to stress that where there are institutions competing for limited resources under title X the Commissioner will give preference to those institutions which are offering the type of program which can best carry out the objectives of Title X.

The Senate bill repealed part B of title X (occupational education programs). The House amendment continued the authorization for part B through fiscal year 1977. The House recedes.

AMENDMENT TO TITLE XI LAW SCHOOL CLINICAL EXPERIENCE

The Senate bill extended title XI (Law School Clinical Experience). The House amendment repealed this title. The House recedes.

AMENDMENTS TO TITLE XII GENERAL PROVISIONS

The House amendment, but not the Senate bill, broadened the definition of an institution of higher education to include public or private non-profit institutions that admit as regular students those beyond the age of compulsory school attendance in the state in which the institution is located. The managers note that almost half the states now require public postsecondary institutions to enroll any person beyond the age of compulsory school attendance. By adopting this change in the Higher Education Act, the conference report will reflect what states have already decided and reflect the fact that many individuals who have not completed the formal requirements for high school are nevertheless qualified for and could benefit from various kinds of postsecondary education. Obviously, this change should not be interpreted as an encouragement for high school students to leave high school after they have passed their state's age of compulsory attendance, nor should it be interpreted as encouragement for high school students to leave high school after they have passed their state's age of compulsory attendance, nor should it be interpreted as encouragement for institutions of postsecondary education to recruit high school students. The managers emphasize that this amendment will not terminate the eligibility for federal assistance of any institution that was eligible under previous law.

The Senate bill, but not the House amendment, provided for specific funds to be authorized for interstate planning activities. The House recedes.

The House amendment, but not the Senate bill, added a new section to title XII which provided that in any year in which the aggregate appropriations for student assistance under title IV (other than for GSLP) exceeded $2,500,000,000, no part of such excess could be used unless the aggregate appropriations for title I, part C of title VII, and part A of title X were at least equal to such excess, within the limits authorized for those titles and those parts. The Senate recedes, with an amendment as follows: (1) the title IV programs counted in arriving at the "trigger figure" are BEOG, SEOG, College Work-Study and NDSL; (2) the "trigger figure" for FY 1978 is $2.8 billion, or the total available for those four title IV programs in FY 1977, whichever is greater; (3) the "trigger figure" for FY 1979 is $3.1 billion or the total available for the four title IV programs in FY 1978, whichever is greater; (4) in a year when the "trigger" operates, it shall not require expenditures for the benefiting programs in excess of $215 million; (5) when the "trigger" operates, it shall only require appropriations for half of the amount of the excess over trigger; and (6) the "trigger" mechanism will operate only for two years, and is not subject to the automatic extension provisions of the General Education Provisions Act.

AMENDMENT TO TITLE VI OF NDEA

The House amendment, but not the Senate bill, changed the name of title VI of NDEA to Foreign Studies and Language Development. The Senate recedes.

The House amendment, but not the Senate bill, authorized the Commissioner to carry out programs to increase the understanding of students of cultures and actions of other nations to better evaluate the international and domestic impact of major national policies. This program would not be funded until programs under sections 601 and 602 were funded at least at the level of $15,000,000. The Senate recedes.

The Senate bill, and the House amendment, contained prohibitions against institutions of higher education using federal financial assistance directly or indirectly to undertake any studies or projects or to fulfill the terms of any contract containing an express or implied provision that any person or persons of a particular race, religion, sex, or national origin be barred from performing such study, project, or contract. The Senate bill, however, contained a proviso that nothing in the section shall be deemed to affect any in-house study or project of an institution of higher education. The House recedes with an amendment providing that institutions of higher education are not barred from conducting objective studies on the nature or effects or prevention of discrimination.

The House amendment, but not the Senate bill, prohibited the use of funds under the amendments made by the House amendment to title VI of NDEA, for any program involving any aspect of the religion of secular humanism. The House recedes. In dropping this House amendment to the language and foreign studies program, the managers point out that no funds in this bill, or in any other federal Act, provide funds for the support of religious instruction. This action leaves "secular humanism," to the extent that it is treated as or regarded as a religion, with no special advantage or disadvantage in education legislation as is true of any religion.

The House amendment, but not the Senate bill, permitted section 602 research to be funded by grants, as well as through contracts. The Senate recedes.

The Senate bill, but not the House amendment, provided for the extension of the International Education Act of 1966 through fiscal year 1982. The House recedes with an amendment providing that the Act shall be extended for a single year with an authorization of $10 million. The managers on the part of the House note that the House Committee on International Relations now has jurisdiction over this program, and that Committee has asked that the International Education Act be extended for one year pending a thorough review during the first session of the 95th Congress. It is the expectation of the managers on the part of the House that the Secretary will study the provisions of the Act and make a report to the House International Relations Committee by April 1, 1977, with respect to the implementation of the program and its recommendations on its possible revision and continued authorization.

AUTHORIZATIONS—EXCLUDING TITLE IV

As with title IV, the bulk of the "dollar differences" between the Higher Education Act program authorization in the Senate bill and the House amendment, stemmed from the difference in duration. The House amendment authorized most appropriations only through FY 1977, and the Senate bill's figures for most of the programs were at the same levels for each year from FY 1977 through FY 1982. The conference substitute provides for a three-year extension of each of the old programs outside of Title IV, and, except as noted, provides for the same level of authorization for each year.

There were no differences in authorization levels between the two bills, or between them and existing law on the authorizations for the following:

Title III (Developing Institutions), $120 million.
Title VI (Improving Undergraduate Instruction), $70 million.
Title VII (Academic Facilities Grants and Loans), $580 million.
Title IX (Graduate Programs), $50 million plus such sums.
Title X (Community Colleges), $165.7 million.
NDEA-VI (Language Development), $75 million.

The two bills did have different proposals on the following titles:

TITLE I (COMMUNITY SERVICES AND CONTINUING EDUCATION)

House, $60 million.
Senate, $40 million.
Conference resolution, $40 million.

(LIFELONG LEARNING, ADDITION TO TITLE I)

House, ——.
Senate, $40 million.

Conference resolution, $20 million (fiscal year 1977); $30 million (fiscal year 1978); and $40 million (fiscal year 1979).

TITLE V (EDUCATION PROFESSIONS DEVELOPMENT)

House, $450 million total.
Senate, ——.

Teacher Corps, $50 million (fiscal year 1977); $75 million (fiscal year 1978); $100 million (fiscal year 1979), and subsequent years.

Teaching Training, $75 million (fiscal year 1977); $75 million (fiscal year 1978); $75 million (fiscal year 1979), and subsequent years.

Teacher Assessment, $.5 million (fiscal year 1977); $.5 million (fiscal year 1978); $.5 million (fiscal year 1979), and subsequent years.

Conference Resolution—

Teacher Corps, $50 million (fiscal year 1977); $75 million (fiscal year 1978); $100 million (fiscal year 1979).

Teacher Training, $75 million (fiscal year 1977); $75 million (fiscal year 1978); $75 million (fiscal year 1979).

TITLE VIII (NETWORKS FOR KNOWLEDGE)

House, ——.
Senate, $15 million.
Conference resolution, Senate recedes.

TITLE XI (LAW SCHOOL CLINICAL EXPERIENCE

House, ——.
Senate, $7.5 million.
Conference resolution, House recedes.

TITLE XII (STATEWIDE PLANNING)

House, Such Sums.
Senate, $6 million.
Conference resolution, House recedes.

INTERNATIONAL EDUCATION ACT

House, ——.
Senate, $40 million.
Conference resolution. $10 million (fiscal year 1977 only).

TITLE II—VOCATIONAL EDUCATION

Extension of programs through fiscal year 1977.—The Senate bill extends all programs under the Vocational Education Act through fiscal year 1977 at the same levels of authorizations as provided in the present law for fiscal year 1976, except for the bilingual vocational education programs which is increased to $40 million in both the Senate bill and the House amendment. The House amendment, in general, reduces these authorizations and repeals the authorizations for the residential schools programs.

The Senate recedes.

Revision of Law.—The Senate bill rewrites completely existing law effective in fiscal year 1978. The House amendment amends existing provisions of the Vocational Education Act.

The House recedes.

Declaration of purpose.—The Senate bill rewrites the Statement of Purpose to emphasize that the purpose is to assist States in improving planning in the use of all available resources for vocational education and manpower training by involving a wide range of agencies and individuals for the development of the plan. It authorizes Federal grants to extend, improve, and where necessary, maintain vocational education programs and authorizes programs of vocational education to overcome sex discrimination and sex stereotyping.

The House amendment has only one amendment to present law, namely, emphasizig that vocational training is to be available to persons of all ages regardless of sex, race, religion or national origin.

The House recedes with an amendment clarifying the Senate provision to specify that the States are to use their Federal funds to develop and carry out vocational education programs so as to overcome sex discrimination and sex stereotyping in those programs.

The managers have agreed to add to the Act a provision in the Declaration of Purpose, a provision authorizing funds to hire personnel to assist the States, and authority for grants to help overcome sex bias in order to encourage the States to carry out all programs of vocational education in such a manner as to be free from sex discrimination and sex stereotyping and in order to encourage the States to take vigorous action to overcome sex discrimination and sex stereotyping in vocational education.

These provisions are not meant, however, to add to the authority of the Department of Health, Education, and Welfare in carrying out its responsibilities under Title IX of the Education Amendments of 1972, nor are they intended to give the Department authority to prescribe for the States particular goals or quotas or the particular methods to be used in achieving these objectives. In explaining our reasons for adopting these provisions, the managers, of course, do not mean to diminish the authority of the Department in carrying out its responsibilities under Title IX.

As regards the Senate provision limiting maintenance of programs to those situations only "where necessary", which provision the House recedes to, the managers wish to state that, while the conference report as a whole stresses the use of Federal funds as a catalyst for development of new programs States and localities would otherwise not be able to afford, it also recognizes that there may often be situations in which use of Federal assistance to support on-going programs is fully justified.

The phrase "where necessary" is intended to convey this dichotomy. The determination of necessity is to be made by appropriate State and local officials. The phrase is not intended to authorize the Commissioner of Education to apply a strict litmus test of absolute necessity before an on-going program can be funded. However, it is intended to encourage States to use their limited amount of Federal funds to invest in the often-expensive start-up costs of new programs.

In determining whether to continue on-going programs, it is the managers' intention that States consider the results of the evaluations of local programs which they are required to conduct under the revised Act. They also intend, however, that the State must consider the recommendations of local school districts on whether to continue programs since there may be some limited situations where the evaluations of the programs do not fully show the success of such programs.

The managers wish to make clear that this limitation on the use of Federal funds is meant to include those situations where school districts have such limited local resources that they find it very difficult to operate vocational education programs from their own funds. Federal funds in those situations are clearly intended to be used to maintain local programs, if local resources are unable to do so.

Authorizations for fiscal 1978 and subsequent years.—The Senate bill authorizes appropriations for fiscal years 1978 through 1982. The House amendment continues the permanent authorization of appropriations contained in current law for the basic State grant but broadens its effect to include most funds under the Act through adopting the block grant approach to the Act. The new block grant in the House amendment folds all the separate programs contained in the present Vocational Education Act, except for the home economics and bilingual vocational training programs, into one grant to the States. All the authorizations in the House amendment which are not included in the State block grant expire in fiscal year 1981.

The conference report authorizes programs through fiscal year 1982 and consolidates programs as described later in this statement.

Office of Women.—The Senate bill, but not the House amendment, authorizes an annual appropriation of $5.1 million for fiscal year 1978 through fiscal year 1982 to enable states to establish or designate an office for women which shall assist the state board in fulfilling the purpose of the Act by creating awareness of programs designed to reduce sex stereotyping in vocational education; gathering, analyzing, and disseminating data on the status of men or women students and employees; developing and supporting actions to correct problems; reviewing the distribution of grants; monitoring the implementation of laws prohibiting sex discrimination; and developing an annual report of the status of women in vocational education. From the funds appropriated, each state in which such an office has been established shall receive $100,000.

The House recedes with an amendment which requires the States to use funds available for this purpose to assign such fulltime personnel as may be necessary to assist the State board in fulfilling the purposes of this Act. The managers wish to make clear that the placement of this provision of the conference report in the section of the revised Act concerning State administration is not meant in any way to show an intention that the State must assign such personnel to the State board or that funds used for this purpose must be matched according to percentages set out for State administrative purposes under the revised Act.

In receding to the Senate bill on the functions which are to be performed by these personnel, the House recedes with an amendment which deletes the requirement for an annual report from such personnel and instead requires more generally that these personnel work to make readily available the information which they develop pursuant to their duties.

Transfer of funds.—The Senate bill requires the Commissioner to reserve and transfer to the Secretary of Labor up to $5 million annually for the conduct of studies and projections of manpower needs upon the request of education officials and advisory councils having responsibility under the title.

The House amendment requires the Commissioner to reserve 5% of the amounts appropriated for the block grants for two purposes: a transfer of not less than $3 million but not more than $5 million a year to the National Occupational Informational Coordinating Committee and the remainder for national programs.

The Senate recedes.

Indian programs.—The House amendment, but not the Senate bill, authorizes the Commissioner to reserve certain funds (not in excess of 1 percent of the appropriation) for contracts for vocational education with Indian tribes and organizations and for programs to be operated by the Bureau of Indian Affairs.

The Senate recedes. The managers, however, wish to make clear that the creation of this set aside of funds for Indian programs is not meant to relieve the States of their responsibility to serve all their citizens in need of vocational education, including Indians.

Allotments.—The Senate bill continues the allocation formula contained in existing law for allotment of funds for the basic vocational education program. (Other categorical programs also retain their existing allotment formulas.) It eliminates the $10,000 minimum allotment per state for the basic vocational educational program which is contained in present law.

The House amendment, due to the consolidation of most categorical programs into block grants to the states, allocates all these funds under the block grants according to the formula contained in present law for the basic grants. The House amendment also increases the minimum grants per state or territory from the $10,000 contained in present law for basic grants to $200,000 for the block grants. In addition, the House amendment contains a hold harmless provision to fiscal year 1976 for all states for all funds received under the Act.

The Senate recedes, except for the new categorical programs accepted by the managers from the Senate bill.

State Planning.—(a) The Senate bill requires each State to designate or establish a State planning commission made up of representatives of certain designated State agencies, if such agencies exist, plus other interested parties. If a representative of each of the designated State agencies certifies to the Commissioner that the agency has had an opportunity to be an active participant in the planning process, the Commissioner shall waive the requirement for a State planning commission.

The House amendment revises the planning requirements in the present Act to require the State board of vocational education to involve actively in formulating the three-year State plan certain specified State education and manpower agencies. This participation must include during the planning year at least one meeting of the State board and of all the other State agencies, meeting as a group.

(b) The House amendment, but not the Senate bill, provides that if any State agency required to be involved in this planning is dissatisfied with the contents of the State plan, then that agency can appeal to the Commissioner of Education. The Commissioner must uphold the decisions of the State board in writing the plan if these decisions are based on substantial evidence as contained in the State plan, but the Commissioner's action is made subject to judicial review.

(c) The Senate bill provides for the development of a single comprehensive statewide long-range plan covering a four- to six-year period, plus an annual program plan which would update the provisions of the long-range plan. The House amendment provides for the submission of two three-year State plans, one to be effective from fiscal years 1978 through 1980 and the other to be effective from 1981 through 1983, but does not require the submission of annual State plans.

(d) The Senate bill provides that one and one-quarter percent of each State's allotment may be used for planning, but not less than $150,000 nor more than $300,000 shall be available to any State.

The House amendment creates a new authorization of appropriations of $25 million a year to be used in formulating the State plan, as well as to be used in assisting the States in evaluating their programs and in collecting the data required under the Act.

The Senate recedes with an amendment which includes the Senate bill's listing of agencies as those who are to be involved in the planning, specifies that the planning is to be conducted through four meetings during the planning year, requires the State board to set out its recommendations from the agencies, councils, and individuals required to be involved in the plans which have been rejected in the final plan and gives the reasons for such rejections, modifies the standards for the Commissioner's review of the plan to include a judgment on whether the plan "best carries out the purposes of the Act" and requires the State board to include in the final plan recommendations received in the public hearings and the reasons for rejecting any such recommendations.

The managers wish to make clear that upon appeal to the Commissioner of the final State plan by an affected agency or council the Commissioner must include in his review of the State plan a determination of whether the procedural requirements of the Act have been fulfilled by the State.

In giving the Commissioner authority upon appeal to determine whether the plan proposed by the State board best carries out the purposes of the Act, the managers do not intend to give the Commissioner any authority unilaterally to change a State's plan. Rather, he must disapprove the plan in its entirety and return it to the State for revision.

The Senate also recedes with an amendment requiring a five-year State plan and an annual plan and accountability report. The Senate recession also includes placing the use of Federal funds for State administration in the authorization of appropriations for planning, evaluations, and data collections.

State Advisory Councils.—(a) The Senate bill provides that each State advisory council shall include at least one representative each of management, labor and agriculture within the State plus at least one representative each from various levels of institutions, private vocational education, and State correctional institutions. In appointing the council the Governor shall insure that there is appropriate representation of both sexes, racial and ethnic minorities and various geographic regions of the State.

The House amendment includes a new provision for staggered three-year terms for members of the advisory council and also newly requires that a majority of the members of each council must be non-educators. The House amendment expands the membership of State councils to include representation from the State Manpower Services Council, of private non-profit schools, of women with backgrounds familiar with sex discrimination, of vocational education teachers, of local school superintendents, and of a local school board.

(b) The House amendment, but not the Senate bill, expands the duties of the advisory councils to assisting in the establishing of local advisory councils, to identifying the manpower as well as the vocational education needs of the State, and to commenting on the reports of the State Manpower Services Council.

(c) The Senate bill authorizes $8 million for fiscal 1978 and each of the four succeeding fiscal years, with minimum grants of $50,000 and maximum grants of $150,000.

The House amendment authorizes $8 million for fiscal 1978, $8.5 million for fiscal 1979, $9 million for fiscal 1980 and $10 million for fiscal 1981 for these councils with minimum grants of $100,000 and maximum grants of $300,000 (with the councils in the outlying areas subject to receiving lesser amounts).

(d) The House amendment, but not the Senate bill, revises present law in a number of regards to emphasize the independence of the State advisory councils, both programmatically and administratively, from the State boards of vocational education.

(e) The House amendment requires the State advisory councils to establish a system of local advisory councils, whose memberships are to be chosen by a method approved by the State board of vocational education in agreement with the State advisory council. (The Senate bill does not mandate any specific mechanism for appointment of local advisory councils but the annual program plan must reflect the involvement of local advisory councils representing business, labor and community institutions.)

(f) The House amendment, but not the Senate bill, amends the Comprehensive Employment and Training Act to require that the State Manpower Services Councils identify the vocational education as well as the manpower needs of the State and to comment on the reports of the State advisory council on vocational education. The House amendment, but not the Senate bill, amends the Comprehensive Employment and Training Act to require that a representative of the State advisory council on vocational education serve on each State's Manpower Services Council.

On subsection (a), the House recedes to the Senate amendments and the Senate recedes to the House amendments, since both sets of amendments complement one another.

On subsection (b) the Senate recedes.

On subsection (c) the Senate recedes with an amendment setting minimum grants at $75,000 a State and maximum grants at $200,000.

On subsection (d) the Senate recedes.

On subsection (e) the Senate recedes with an amendment specifying that each eligible recipient receiving assistance under the Act to operate programs must establish a local advisory council composed of members of the general public. Each State board must notify these agencies of this responsibility, and each State advisory council on vocational education must make available to these agencies and the council such technical assistance as they may request.

On subsection (f) the Senate recedes. The managers wish to make clear their intention that this newly imposed duty on the State's Manpower Services Council to identify and assess manpower and vocational education needs in the State, and the identical duty newly placed upon the State advisory council, may be jointly performed by such councils if such councils determine that such joint efforts are possible within each one of the States. Furthermore, we encourage the same type of cooperation in the performance of similar duties by the National Advisory Council on Vocational Education and the National Manpower Commission.

Long-range plan.—The Senate bill provides that the planning commission shall develop a comprehensive statewide long-range plan covering a period of 4 to 6 years which the State board for vocational education, if it approves the plan, shall submit to the U.S. Commissioner. He does not have authority to disapprove the plan. Such plan shall take nito acount the needs for trained manpower in the State together with actual and projected enrollments; existing capabilities and facilities for vocational education together with needs for such education in all parts of the State; give thorough consideration to the most effective means for utilizing all existing institutions in the States; develop general procedures for delegation of responsibilities for implementation of vocational education programs; develop procedures to assure continuous planning and evaluation; and develop criteria for coordinating manpower training programs with vocational education programs.

The House amendment requires two three-year State plans, one to be effective from fiscal 1978 through fiscal 1980, and the second to be effective from fiscal 1981 through 1983. These three-year plans must set out an assessment of the need for job skills and explicit descriptions of the courses, enrollments, allocations of responsibility among institutions, and allocations of all resources, to meet the identified job needs. These plans must also set out the reasons for choosing these courses, enrollments, and allocations.

The House amendment, but not the Senate bill, contains a provision requiring States to use approximately the same amount of Federal resources for high school vocational programs during fiscal years 1978 and 1979 as they used during fical years 1975 and 1976. The House amendment, but not the Senate bill, also requires the State to set out in its three-year plan its policies and proposed actions to overcome sex discrimination and sex stereotyping.

The Senate recedes with an amendment requiring the submission of a 5-year State plan and combining provisions of the House and Senate bills.

State administration.—The House amendment modifies present law by making it explicit that the State board may delegate any of its responsibilities to other agencies within the State, except for policy development, development of the State plan, and consultation with the State advisory council and other State education and manpower agencies.

Under the general application section the Senate bill provides that a State board may delegate its responsibilities, in whole or in part, consistent with the long-range plan approved by the State board.

The Senate recedes with an amendment clarifying the role of the State board to be that of coordinating development of policy and the development of the plans and reports required under the Act. The Senate recession also includes an amendment requiring the State board to certify to the Commissioner as part of its five-year plan and annual plan and accountability report, that each of the agencies, councils and individuals required to be involved in formulating the plans and reports have been afforded the opportunity to be involved in accordance with the provisions of the Act.

General Application.—The Senate bill, but not the House amendment, provides that the State board shall maintain on file with the Commissioner a general application which includes assurances that the State will establish or designate an office for women; that funds will be distributed to eligible recipients on the basis of annual applications which describe the vocational education needs of potential students, and how proposed programs will be coordinated with other education and training programs; that priority in approval of applications will be given to those which propose programs for persons with special needs, are located in poor areas and those with high rates of unemployment, and propose programs new to the area to be served; that funds will not be distributed on a per capita basis; that any dissatisfied potential recipient shall be given an opportunity for a hearing; and that funds will not be used for programs which can not be demonstrated to prepare students for employment, (with certain exceptions).

The House amendment also provides for a general application. It differs from the Senate bill in that it sets out explicitly that the State board must cooperate with the State advisory council and with the other State education and manpower agencies in formulating the State plan and reports; sets out that the two most important factors to be used in distributing funds under the Act are to be the relative financial ability of the agencies and the number or concentration of low-income or higher cost students; requires that the State consider local evaluations in approving local applications; and requires that the State plan be consistent with the State plan adopted under the Education of the Handicapped Act.

The Senate recedes to the House amendments and the House recedes to the Senate bill, since these provisions propose similar changes.

Annual plans and reports.—(a) The Senate bill provides for an annual program plan which serves as an application for funds for the upcoming year and as a report on the State's distribution of funds among eligible recipients for the preceding fiscal year, together with an analysis of that State's program in the light of the long-range plan. In addition, the Senate bill provides that the plan will set forth a study of the procedures the State will follow to permit equal access to vocational education programs by both men and women.

The House amendment contains an annual accountability report which sets forth information on the State's distribution of funds in the preceding fiscal year but which does not contain information concerning proposed distribution of funds. The annual accountability report must include a summary of program evaluations and must use data which conform to the newly required nationally uniform definitions and information elements.

(b) The Senate bill provides that the Commissioner shall approve each State's annual program plan only after he has made specific findings, in writing, that such plan complies with the Act.

The House amendment requires the Commissioner to approve each State's annual accountability report if it is found to be in conformity with the Act. The Commissioner must also send to the State board an analysis of this report including suggestions for improvements in the State programs.

(c) The Senate bill, but not the House amendment, requires the Commissioner to submit each State's annual program plan to the Director of Bilingual Education in the United States Office of Education for review and evaluation of that part of the plan relating to vocational education for persons with limited English speaking ability.

(d) The Senate bill, but not the House amendment, provides that the Commissioner shall not approve a State plan until he has received assurances that that State's Office for Women has reviewed the plan and that the State board has given due consideration to the needs of female students and has provided assurances that all programs are designed to attract individuals of both sexes.

(e) The Senate bill, but not House amendment, provides that the Commissioner shall not disapprove any annual program plan solely on the basis of the distribution of State and local funds for vocational education.

On subsection (a) the House recedes to the Senate amendments, and the Senate recedes to the House amendments, with these provisions being combined wherever possible since they propose similar changes in the law. The Senate recession also includes an amendment requiring the active participation of the same State agencies, councils, and individuals required to be involved in the five-year plan to be involved in the development of the annual plan and report in the same manner, except that this participation must involve three meetings during each year.

On subsection (b) the House recedes to the Senate on the provision concerning the approval of the program plan and report, and the Senate recedes to the House on the provision requiring the Commissioner to send an analysis of the plan and report to the State.

On subsection (c) the House recedes to the Senate with an amendment requiring the Commissioner to provide appropriate procedures for agencies operating the programs related to vocational education programs within the Office of Education to comment on the State plans.

On subsection (d) the House recedes with an amendment requiring an assurance that the personnel assigned to perform the duties concerning sex discrimination and sex stereotyping have been afforded an opportunity to review the plan.

On subsection (e) the House recedes.

Approval of the plans.—(a) The Senate bill provides that no comprehensive long-range plan or annual program plan may be submitted to the Commissioner until that plan has been approved by the State board for vocational education. If the State board rejects either plan, in whole or part, it shall return the plan to the State planning commission along with its suggested changes.

There is not comparable provision in the House amendment because the State board for vocational education has the final responsibility of reaching decisions on the State plan with a right of appeal being given to dissatisfied State agencies to appeal to the Commissioner of Education.

(b) The House amendment, but not the Senate bill, permits the Commissioner to disapprove the state's three-year plan if it does not conform with the Act. The Commissioner must give any such state reasonable notice and an opportunity for a hearing before such disapproval. Under the Senate bill the Commissioner has no authority to disapprove a State's long-range plan.

(c) The Senate bill, but not the House amendment, provides that the Commissioner may disapprove the annual program plan of a state if he finds that it does not comply with the provisions of the Act. Such decision is subject to judicial review. Under the House amendment there is no annual program plan, only an annual accountability report. The Commissioner must approve the report if it conforms to the Act.

On subsection (a) the Senate recedes.

On subsection (b) the Senate recedes.

On subsection (c) the House recedes.

Federal Administration.—(a) The Bureau of Occupational and Adult Education is presently required to exist in the U.S. Office of Education under Title X of the Higher Education Act. The Senate bill does not affect those provisions.

The House amendment, however, transfers those provisions to the Vocational Education Act and conforms those provisions to the Act.

(b) The House amendment, but not the Senate bill, requires the Commissioner to assign to the Bureau, beginning in fiscal year 1977, at least as many persons to directly administer the vocational education program as were assigned in fiscal year 1967.

(c)(1) The House amendment, but not the Senate bill, requires the Bureau of Occupational and Adult Education to conduct, between fiscal 1978 and fiscal 1981, a comprehensive review of each State's administration of programs under the Act. The Department of Health, Education, and Welfare, during the same period, shall conduct a comprehensive fiscal audit of such programs within each such State. The conclusions reached through these reviews and audits must be shared with the States by the Commissioner.

(2) The Senate bill, but not the House amendment, provides that the Commissioner shall annually submit to Congress a report evaluating the operation of vocational education in at least five States. In selecting States for evaluation he shall establish three classifications including an urban classification and a rural one and shall evaluate the programs in at least one State substantially representative of each classification. Prior to the submission of the report to Congress he shall make it available to the State being evaluated for comment. The report shall contain the reasons for the selection of the particular State evaluated. To the extent funds are available the Commissioner is encouraged to conduct evaluations in more than five States.

(d) The House amendment, but not the Senate bill, requires the Commissioner to prescribe rules within 60 days of the enactment of these amendments requiring that any hearing in connection with withholding of funds under this Act be conducted within the boundaries of the relevant school district, local government or State.

On subsection (a) the Senate recedes.

On subsection (b) the Senate recedes with an amendment requiring the Commissioner to assign to the Bureau by the termination of fiscal year 1978 at least 50% more persons to directly administer the vocational education program as were assigned in fiscal 1976.

The managers wish to make clear their intention that the personnel who will have to be assigned to the Bureau must not be taken away from assignments in the Bureau for the Education of the Handicapped and from assignments dealing with student aid programs.

On subsection (c) the Senate recedes to the House provision concerning audits and the House recedes to the Senate provision concerning evaluation reports with an amendment combining these provisions.

On subsection (d) the Senate recedes with an amendment requiring that the hearing be conducted within the State of the affected jurisdiction.

Evaluations.—The House amendment, but not the Senate bill, requires each State to conduct within the three-year period of the State plan an evaluation of the programs within the State being assisted with Federal funds. Each program purporting to impart entry-level job skills must be evaluated by using data collected by statistically valid sampling techniques on the effects of the program on school completers and leavers.

The Senate recedes with an amendment requiring these provisions be included in the same section of the law as are the provisions requiring Federal audits and evaluations.

Data collection.—The House amendment, but not the Senate bill, requires the Department of Health, Education, and Welfare to develop a national vocational education reporting and accounting system according to a prescribed time schedule. This system must contain certain specified data elements. The House amendment also requires the establishment of a National Occupational Information Coordinating Committee consisting of representatives from the Departments of Labor and Health, Education, and Welfare to better coordinate the manpower and vocational education programs and to develop more current job information for administrators of these programs. Each State must also establish a comparable committee.

The Senate recedes with an amendment requiring that the data requirement be fulfilled by September 30, 1977.

The managers are aware of the fact that a committee presently exists composed of members of the U.S. Office of Education and of the U.S. Department of Labor dealing with the use of employment data in vocational education. We hope that this committee can be revised to fulfill the new requirements in the Act for the National Occupational Information Coordinating Committee.

National priority programs.—(a) The Senate bill continues existing minimums for vocational education for the handicapped, disadvantaged, and postsecondary and adult education. However, the bill requires matching of each of these minimums with $2 of state and local funds for every $3 of Federal funds.

The House amendment likewise continues the minimums contained in present law for the handicapped, disadvantaged, and postsecondary and adult vocational education and includes new matching requirements for the handicapped and disadvantaged. However, the House amendment also increases the minimum requirement for the disadvantaged from 15 percent to 25 percent of each state's grant. The House amendment defines "postsecondary education" and "adult education" separately, and includes both in the existing 15 percent minimum. It permits the funds for the disadvantaged to be used for special programs for the disadvantaged, work study programs, and stipends, and requires that to the maximum extent possible funds for the disadvantaged and handicapped must be used to assist them in participating in regular programs.

(b) The Senate bill, but not the House amendment, requires that at least 5 percent of the basic allotment of any state which the Commissioner finds to have areas of high concentrations of persons of limited English speaking ability shall be used to pay the cost of vocational education for such persons, with 2 state and local dollars matching every 3 Federal dollars.

(c) The Senate bill, but not the House amendment, continues a separate authorization of funds to pay the full cost of vocational education for disadvantaged persons in areas of high concentrations of youth unemployment and school dropouts. Such programs must make adequate provision for participation of nonpublic school children. The House amendment retains authority for States to fund these programs, but makes it permissive under the block grant.

(d) The Senate bill, but not the House amendment, provides for a separate authorization of funds to pay the full cost of vocational education in areas of each state having high concentrations of individuals with limited English speaking ability. These programs must make provision for the participation of nonpublic school children.

On subsection (a) the Senate recedes with an amendment requiring a 50% match of State and local funds for the Federal funds which are spent for postsecondary and adult education and reducing the minimum for the disadvantaged to 20%.

On subsection (b) the House recedes with an amendment requiring States to provide vocational education for persons of limited English speaking ability within the States to the same extent that such persons are of the population in the State aged 15–24. These funds are to be provided from the funds reserved for the disadvantaged.

On subsection (c) the House recedes with an amendment making the special program for the disadvantaged a separate subpart of the bill.

On subsection (d) the Senate recedes.

Payments.—(a) The Senate bill provides for a 60–40 match for all national priority programs. The House amendment requires a 50 percent match of state and local funds for Federal funds required to be used for the disadvantaged and the handicapped. There is no special matching provision in the House amendment for the funds required to be used for postsecondary and adult vocational education.

(b) The Senate bill provides that the Federal share for state administration shall be 50 percent except that it shall be 85 percent for fiscal 1978 and 70 percent for fiscal 1979. This percentage may be waived whenever the Commissioner determines that a state is matching Federal funds at a rate which is twice the national average matching ratio or 10 to one. The House amendment requires a 75 percent match for state administration in fiscal 1978 and a 50 percent match in fiscal 1979 and thereafter.

(c) The Senate bill, but not the House amendment, includes evaluation within the definition of administration. The House amendment contains a separate authorization of appropriations for evaluations and planning.

(d) The Senate bill requires local educational agencies and states to maintain a combined fiscal effort, but allows the Commissioner to waive a portion of this requirement if available tax resources are reduced. The House amendment applies to local educational agencies and other public agencies, and allows combined fiscal effort to be calculated on a per student or on an aggregate basis.

(e) The Senate bill, but not the House amendment, provides for maintenance of effort by postsecondary educational institutions, except that the Commissioner may waive for postsecondary educational institutions so much of the maintenance of effort requirement as he determines to be equitable.

On subsection (a) the House recedes to the Senate on the postsecondary and adult matching requirement, and the Senate recedes to the House on the 50% matching.

On subsection (b) the House recedes with an amendment requiring 80% in fiscal year 1978, 60% in fiscal year 1979, and 50% in fiscal year 1980, and permitting in exceptional circumstances a waiver for States in 1978.

On subsection (c) the Senate recedes.

On subsection (d) the Senate recedes.

On subsection (e) the House recedes with an amendment deleting the waiver.

Vocational guidance and counseling.—The Senate bill, but not the House amendment, creates a new program for vocational guidance and counseling with authorizations of $25 million for fiscal 1978, $35 million for fiscal 1979, $45 million for fiscal 1980, $55 million for fiscal 1981, and $75 million for fiscal 1982. Funds under this program can be used for guidance and counseling programs, job placement, training of counselors in changing work patterns of women and ways of overcoming sex stereotyping, counseling for youths and adults in correctional institutions, and establishment of vocational resource centers.

The House recedes with an amendment authorizing guidance and counseling as part of the State's block grant and authorizing the Commissioner to conduct such programs from the funds reserved to him. The House also recedes with an amendment which requires emphasis being placed on guidance counselors going into the work place and people from work environments being brought into the schools.

Block grant.—The House amendment, but not the Senate bill, consolidates all the categorical programs under the present Vocational Education Act into a single block grant to the States, except for the bilingual and home economics programs. This block grant authorizes the expenditure of funds on all the categorical programs presently contained in the Act and adds authorization for States to fund the development of instructional materials to do away with sex stereotyping, vocational education for displaced homemakers, provision of stipends, support services for women, and daycare services.

The Senate recedes with an amendment requiring that 20% of the funds for this block grant must be used for the purpose of program improvement and supportive services.

Innovation.—The Senate bill, but not the House amendment, continues categorical authority, for exemplary programs and projects. Fifty percent of the funds are reserved to the Commissioner for programs and projects meeting specified national needs and priorities. The remainder of the funds are available to the States for programs of State or national priority. No program of national significance may be supported for a period of more than three years unless the Commissioner determines that an extra year is necessary. States must also limit programs to three years and must include in the annual program plan for the final year the proposed disposition of the program when Federal funds cease and the means by which successful programs will be continued by the State.

The House amendment authorizes the State as part of the block grant to fund projects leading to program improvement through contracts. The authority to make grants is not retained from the present law, and every contract made by a State must show a reasonable probability that it will result in improved teaching techniques or curriculum materials within five years after the termination date of such contract.

The Senate recedes with an amendment incorporating the research, innovation, curriculum development, training, guidance and counseling and sex bias authorizations into a general authority involving 20% of the sums reserved under the block grant.

Work Study.—The Senate bill retains separate authorization for vocational work study but eliminates the limitations on hours of work or possible income ceilings contained in existing law. The House amendment authorizes a State as part of its block grant to fund work study programs and states that students are not to be employed more than a reasonable hours a week or have compensation exceeding payments under comparable Federal programs. The House amendments also expands the class of eligible employers to include nonprofit private agencies.

The Senate recedes.

Cooperative Education.—The Senate bill basically continues the cooperative education program contained in existing law but limits Federal funds to cooperative programs and does not authorize support of ancillary services. The House amendment authorizes a State, as part of the block grant, to fund cooperative education programs.

The Senate recedes.

Consumer Homemaking Education.—The House amendment, but not the Senate bill, specifically encourages programs assisted with Federal home economics funds to lead to the elimination of sex stereotyping by promoting the devolpment of curriculum materials dealing with the increased numbers of women working outside the home and the increased numbers of men assuming homemaking responsibilities and dealing with appropriate State and Federal laws relating to equal opportunity in education and employment. The House amendment, but not the Senate bill, also encourages these funds to be used for outreach programs into the community.

The Senate recedes with an amendment specifically authorizing use of funds for programs involving clothing and textiles.

Emergency Assistance for Remodeling and Renovation.—The Senate bill, but not the House amendment, authorizes $25 million for fiscal 1978, $50 million for fiscal 1979, $75 million for fiscal 1980, and $100 million for fiscal 1981 for emergency assistance to urban and rural school districts with old or obsolete facilities and equipment. In approving applications the Commissioner shall apply criteria concerning the age of the facilities and the number and percentage of unemployed youth. Facilities assisted under this part must be brought into conformity with the Architectural Barriers Act. Federal funds will pay 75 percent of the assistance of the project unless the applicant is suffering extreme financial need and would not be able to contribute 25 percent.

The House recedes.

Energy Education.—The Senate bill, but not the House amendment, authorizes $6 million for fiscal 1978 and $15 million for each of the four succeeding fiscal years for grants to postsecondary institutions for training of miners, supervisors, technicians, and environmentalists in the field of coal mining and coal mining technology and for grants for solar energy education. ($1 million in fiscal 1978 and $5 million for each of the succeeding four years shall be available only for solar energy education.)

The House recedes with an amendment incorporating grants for energy education into the State basic block grant.

Grants to assist in overcoming sex bias.—The Senate bill, but not the House amendment, authorizes $5 million annually through fiscal 1982 to pay 75 percent of the cost of activities which show promise of overcoming sex stereotyping and bias in vocational education.

The House recedes with an amendment authorizing States to fund these programs with their basic grants and authorizing the Commissioner to fund these programs from the funds reserved to him.

National Programs.—(a) The Senate bill continues separate authority for vocational research with 50 percent of the funds reserved to the Commissioner for research in vocational education, training of researchers experimental demonstration projects, development of new curricular and development of projects involving new careers.

The House amendment consolidates into one reservation of funds to the Commissioner, authority to fund national programs of vocational research and national programs of leadership development and teacher training. The funds the Commissioner decides to use for research can be used only for contracts for applied research, exemplary projects, curriculum development, and dissemination of the results of these projects. The Commissioner must use some of these research funds to support a national center for research in vocational education whose responsibilities are outlined in the legislation. No contract for research may be made by the Commissioner unless there is a reasonable probability that it will result in improved teaching techniques or curriculum materials within 5 years. The Commissioner must also with these funds convert for civilian use curriculum materials prepared on vocational education by the military. Lastly, there is established a coordinating committee on research in vocational education within the education division of the Department of Health, Education, and Welfare.

(b) The Senate bill provides that the amount available to the states shall be used to pay 75 percent of the costs of the state research coordinating unit and for grants and contracts to pay 90 percent of the cost of research and training programs, experimental programs for youths with special needs, and dissemination. The House amendment authorizes a state as part of its block grants to fund research-exemplary projects, and curriculum development by contracts made through the research coordinating unit.

(c) The Senate bill continues separate authorizations to the Commissioner for curriculum development. The House amendment includes this authority as part of the Commissioner's programs of national significance.

The conference agreement provides that the Commissioner shall reserve 5% of the funds available under the authorization for State grants to be used by him for national programs of research, innovation, curriculum development, the elimination of sex bias, and leadership awards. Similar provisions dealing with these programs in the

Senate bill and House amendment are combined. The Commissioner must support a national center for vocational education research from these funds.

Personnel training.—(a) The Senate bill continues separate authority for programs designed to improve the qualifications of persons serving or preparing to serve in vocational education program through training, retraining, in-service training, and exchange of personnel. The House amendment authorizes the state as part of its block grant to fund these types of programs.

(b) The Senate bill basically, continues existing law authorizing leadership development awards for qualified vocational education personnel. The House amendment authorizes the Commissioner to fund leadership development awards from the funds reserved for programs of national significance.

The House amendment also adds to this authority of the Commissioner an authorization to also provide grants to individuals who are presently certified as teachers and who want to become vocational education teachers and to persons in industry who have necessary skills to become vocational educators. The House amendment repeals from present law the requirement that the state boards of vocational education must approve the programs offered by graduate schools which awardees attend.

The conference agreement authorizes States to fund pre- and in-service training as part of their basic State grants and authorizes the Commissioner to fund those programs as well as leadership awards.

Bilingual vocational training.—The Senate bill and the House amendment both authorize a categorical program of bilingual vocational training. The Senate bill speaks in terms of bilingual vocational training programs whereas the House amendment speaks in terms of bilingual vocational education. The Senate bill but not the House amendment provides that 65 percent of the funds shall be available for bilingual vocational training, 25 percent for instructor training, and 10 percent for development of instructional materials, methods, and techniques. The House amendment, but not the Senate bill, emphasizes that a purpose of the training is to prepare persons to perform adequately in an environment requiring English language skills.

The House recedes to the Senate provision concerning allocation of funds, and the Senate recedes to the House amendments concerning the purpose of the training.

Definitions.—(a) The Senate bill defines "vocational education" to mean organized educational programs, services, and activities, including guidance and counseling which are directly related to preparation for employment or for retraining for employment with less than a baccalaureate level.

The House amendment defines vocational education as training or retraining except for those programs requiring a baccalaureate or a higher degree; and the term training or retraining is limited to actual instruction and the acquisition of instructional supplies.

(b) The Senate bill amends the term "area vocational school" to eliminate the requirement that the department of a junior or a community college must be under the supervision of the State board. The

House amendment amends this requirement to state that such an institution must be operating under the policies of the State board.

(c) The Senate bill, but not the House amendment, defines the term "State educational agency" as that agency primarily responsible for the State supervision of public elementary and secondary schools.

(d) The Senate bill, but not the House amendment, defines "eligible recipient" as a local educational agency or post-secondary education institution.

(e) The Senate bill, but not the House amendment, defines "National Advisory Council" as the National Advisory Council on Vocational Education.

(f) The House amendment clarifies the definition of "industrial arts programs."

(g) The House amendment, but not the Senate bill, defines "disadvantaged" as being economically or educationally disadvantaged.

(h) The House amendment, but not the Senate bill, defines "low-income family or individual" as those so determined according to the latest available data.

(i) The House amendment, but not the Senate bill, contains a definition of "cooperative education."

(j) The House amendment, but not the Senate bill, contains a definition of "curriculum materials."

On subsection (a) the provisions are combined.

On subsections (c), (d), and (e) the House recedes.

On subsections (b), (f), (h), (i), and (j) the Senate recedes.

On subsection (g) the Senate recedes with an amendment requiring that the persons identified as disadvantaged be in need of additional services to qualify for assistance.

National Advisory Council.—The Senate bill adds to the membership of the National Advisory Council representatives of new and emerging occupational fields, and individuals familiar with the special experiences and problems of women, and familiar with the special problems of the individuals in correctional institutions. In appointing the Council, the President shall insure that there is appropriate representation of both sexes, racial and ethnic minorities, and the various geographical regions. The Senate bill expands the activities of the Council to provide that it advises the President, Congress, and Secretary, makes such reports as it deems desirable, and conducts studies and hearings. The Senate bill authorizes $250,000 for each fiscal year through 1982 for employment of technical personnel, and such sums as may be necessary to enable the Council to carry out its other functions.

The House amendment adds to the National Council representatives of nonprofit private schools and women with experiences in sex discrimination. The House amendment also requires that a majority of the membership must be non-educators. The National Council must also comment on the reports of the National Manpower Commission. There are authorized to be appropriated $450,000 for fiscal 1978, $475,000 for fiscal 1979, and $500,000 each for fiscal 1980 and 1981 for all activities of the Council. The Council is authorized to receive gifts and transfers of funds from other agencies, in order to carry out its functions. The Comprehensive Employment and Training Act is amended to require representation of the National Advisory Council on Vocational Educational Education on the National Manpower Commission and to require the National Commission to identify the vocational education as well as the manpower needs of the nation and to comment on the reports of the National Advisory Council.'

The conference agreement combines the provisions of the Senate bill and House amendment, but the House authorization of appropriations is retained.

Studies.—(a) The House amendment, but not the Senate bill, requires the Commissioner of Education to conduct a study on the extent to which sex discrimination and sex stereotyping are being eliminated in programs assisted under the Act. The report must be submitted to Congress within two years.

(b) The House amendment, but not the Senate bill, requires the National Institute of Education to conduct a thorough study of vocational education programs and other related programs. The final report must be submitted to Congress and to the President no later than September 30, 1980. Funds under the Vocational Education Act, not to exceed $2 million per year, shall be used to conduct this study.

(c) The House amendment, but not the Senate bill, requires the NIE, as part of the study described above, to evaluate the effectiveness of home economics programs and to make recommendations for their redirection and improvement. This report must be submitted no later than January 15, 1979. Ten percent of the funds available for the general NIE report must be used for this purpose.

The Senate recedes with an amendment limiting the study by the National Institute of Education to no more than $1 million a year.

Repealers.—Both the Senate bill and the House amendment repeal part B of title X of the Higher Education Act (occupational education). However, the House amendment also extends title X, part B, in another part of the bill.

The House recedes to the Senate repeal of Title X part B.

TITLE III—EXTENSIONS AND REVISIONS OF OTHER EDUCATION PROGRAMS

Emergency School Aid.—The Senate bill, but not the House amendment, extends the authorization for the Emergency School Aid Act through fiscal 1979 with a total authorization of $1 billion for fiscal 1977 through fiscal 1979. The House recedes.

The Senate bill, but not the House amendment, authorizes an additional appropriation of $100 million per year through fiscal 1982 for special programs and projects. This appropriation would not be subject to the State apportionment formula. The House recedes with an amendment which limits such additional authorization to $50,000,000 for fiscal year 1977, and $100,000,000 for fiscal year 1978.

The Senate bill, but not the House amendment, authorizes an additional $250 million annually for fiscal 1977 through 1979 for the purposes of (1) construction, rehabilitation, and operation of magnet schools; (2) pairing of schools and programs with specific colleges and universities and with leading businesses; (3) development of plans for and the construction of neutral site schools; and (4) construction and development of educational parks. In addition, the

Senate bill, but not the House amendment, extends the life of the National Advisory Council on Equality of Educational Opportunity until the expiration of the Emergency School Aid Act.

The substitute agreed to in conference provides that such authorization shall be limited to $25,000,000 for fiscal year 1977 and $50,000,000 for fiscal year 1978, eliminates assistance for educational parks, limits support for magnet schools to planning and design of, and conduct of programs in, such schools, and eliminates support for construction in the case of neutral site schools. The programs which can be conducted under the conference substitute in magnet schools are those which are otherwise authorized by the Act to be conducted by local school districts.

The conference substitute also incorporates the provision of the Senate bill which extends the National Advisory Council.

The conference agreement limits to no more than 5% of the discretionary funds the authority of the Assistant Secretary of Education to support projects of compensatory education for children who had been participating in title I, Elementary and Secondary Education Act, programs, but who had been transferred to non-title I schools pursuant to a desegregation order or plan issued after August 21, 1974. This amendment is necessary to take into account situations such as have occurred in Boston, Massachusetts, and Wichita, Kansas, where desegregation plans have transferred children away from attendance areas eligible for title I programs, thereby denying them much needed services. In addition, the conferees hope that administrators of the title I program in the Office of Education will continue to work with local school officials in Boston, Wichita, and other districts in similar situations in an effort to make these essential services available to eligible children within the parameters of the present law.

Under present law the Assistant Secretary can use all of his funds, if he so desires, for providing compensatory services for children who had formerly been receiving such services in Title I schools. Under this amendment he is restricted in this authority. The managers intend naturally that any school district applying for these funds must fulfill all the other requirements contained in the Act for this purpose, and affirm their understanding that other funds under the Act can be used for the same purpose pursuant to the other provisions in the Act.

Allen J. Ellender Fellowship Program.—The Senate bill, but not the House amendment, extends the Allen J. Ellender Fellowship program through 1982. The House recedes.

Maintenance of Effort.—The Senate bill amends title IV of the Elementary and Secondary Education Act of 1965 (the consolidation title) to provide that States, local educational agencies, and private schools must maintain effort at the level of the second preceding fiscal year. Current law requires an aggregate State and local maintenance of effort for the preceding year. The Senate bill also amends the Adult Education Act to provide for a maintenance of effort against the second preceding fiscal year. The Senate bill also amends the Vocational Education Act of 1963 to permit the Commissioner to waive a portion of the maintenance of effort requirement if available tax resources are reduced and amends the Act to include postsecondary educational institutions in the maintenance of effort requirement but to permit a waiver of so much of that requirement as he determines equitable.

The House amendment amends titles I, III, and IV of the Elementary and Secondary Education Act of 1965, the Emergency School Aid Act, and the Vocational Education Act of 1963 to require maintenance of effort either on a per-student basis or in aggregate dollar amounts.

The conference substitute includes: (a) the measurement of maintenance of effort on the basis of per pupil or aggregate expenditures for titles I, III, IV of the Elementary and Secondary Education Act of 1965, the Adult Education Act, the Emergency School Aid Act, and the Vocational Education Act of 1963; (b) the measurement for such requirements on the basis of first preceding fiscal year in relation to second preceding fiscal year for title IV of the Elementary and Secondary Education Act of 1965, and the Adult Education Act, and (c) the inclusion of postsecondary institutions assisted under the Vocational Education Act of 1963 in the maintenance of effort requirement in such Act.

The Senate bill amends the General Education Provisions Act to provide that the Commissioner, in prescribing regulations for title IV of the Elementary and Secondary Education Act of 1965 and the Adult Education Act shall determine per pupil expenditures and prescribe that maintenance of effort requirements are met if the amount expended in the preceding fiscal year was at least 95% of the amount expended in the second preceding year. If this requirement is not met, the Commissioner shall reduce the Federal payment by the percentage by which effort was not maintained. In exceptional circumstances he may waive the maintenance of effort requirement, pursuant to objective criteria of general applicability.

The House amendment amends the General Education Provisions Act to permit the Commissioner to waive for one fiscal year provisions requiring local maintenance of effort upon a determination that very exceptional circumstances exist that year which render unobtainable the compliance with such provisions and that every possible effort has been made by the local educational agency to maintain its effort.

The conference substitute amends the General Education Provisions Act and provides, from date of enactment through the termination date of the programs authorized under title IV of the Elementary and Secondary Education Act of 1965 and of the Adult Education Act, an allowable reduction of no more than 5% during such period without any loss in applicable Federal payments. The agency chooses a base year from which the allowable reduction is to be calculated, which must be either the fiscal year preceding the fiscal year of notification, or the second preceding fiscal year. During the period in which the reduction of effort provision is in effect, an agency may distribute its allowable reduction over the number of fiscal years in which it chooses to utilize the reduction.

The conference substitute further provides that the Commissioner may waive for one fiscal year at a time maintenance of effort requirements in statutory provisions affecting these programs in exceptional circumstances (including such circumstances resulting from decreasing enrollments or fiscal resources) to provide a proportional reduction of Federal payments in relation to such reduction by the agency. The conference substitute provides a second waiver authority to the Commissioner under very exceptional circumstances, and in which he shall provide for no reductions in Federal payments or other penalties.

The conference substitute further provides a similar waiver authority to the Commissioner for maintenance of effort requirements under Title I, Elementary and Secondary Education Act of 1965, except that such waiver shall be granted for one year only, and is applicable to local educational agencies only. The managers intend, however, that implementation of this waiver authority will be carried out in a manner consistent with existing decisionmaking practices and relationships among the Commissioner, State agencies, and local educational agencies, under the Elementary and Secondary Education Act, title I operations.

The conference agreement further provides that: an agency shall notify the Commissioner when it intends to utilize the allowable reduction provision, or to request a waiver of maintenance of effort requirements. The managers intend that the Commissioner shall periodically inform the Labor and Public Welfare Committee of the U.S. Senate and the Education and Labor Committee of the U.S. House of Representatives and make available to the general public in an appropriate manner such notification and his decisions.

The managers intend that, for purposes of the conference substitute, the term "very exceptional circumstances" shall include circumstances in which:

(a) the tax base of a local educational agency has decreased very significantly, e.g. removal of property from the tax roll because of urban renewal, government acquisition of previously taxed property in substantial amount, or natural disaster of taxable property;

(b) the capacity to raise funds is out of the control of a local education agency because of a very substantial need to reduce fiscal resources, or fiscal resources have been diverted very significantly to other functions which are not within the control of the board;

(c) situations that occur in States where State law requires that each school district must go to the voters for special levies to meet operating expenses over and above those guaranteed by the State; and further, State law prohibits a school district from trying more than twice in any one year to obtain voter approval of a school maintenance and operation levy. The managers would expect the Commissioner to assure that the school district had made every possible effort to comply before granting a waiver.

The managers intend that the Comptroller General of the United States shall conduct a study of the effort of provisions of law which require, with respect to any program for which an administrative head of an education agency has administrative responsibility as provided by law or by delegation of authority pursuant to law, maintenance of effort by States or by local educational agencies, and of the effect of the percent reduction, waiver, and proportional reduction of the requirements of certain provisions contained in the amendment made by the conference substitute and shall report the results of such study, including any recommendations, to the Committee on Labor and Public Welfare of the Senate and to the Committee on Education and Labor of the House of Representatives, not later than January 1, 1978.

Follow the Child.—The Senate bill, but not the House amendment, provides that funds under title I of the Elementary and Secondary Education Act of 1965 may be used for the education of title I children who are transferred to a nontitle I school as a result of a desegregation order or plan. No funds can be used for such purpose unless the money available for title I programs in the school from which such child is transferred is greater than the money in the preceding year. The Senate recedes.

Women's Equity Council.—The Senate bill, but not the House amendment, makes technical amendments to the Women's Educational Equity Act authorizing a national advisory council to report to the Congress and disseminate information concerning its activities. The House recedes.

Participation of Women in the Consolidated program.—The Senate bill, but not the House amendment, amends the Library and Learning Resources Program, contained in part B of title IV of the Elementary and Secondary Education Act of 1965, to require that material purchased should be non-sex biased. The Senate bill also amends part C of title IV of such Act dealing with innovative programs, to include programs and demonstration projects to expand educational opportunities for women. The Senate recedes. The managers fully support the intent of this provision of the Senate to eliminate sex stereotyping in textbooks and other educational materials, but believe that any specific legislative requirement in this area would raise constitutional questions under the First Amendment. The managers believe that local educational agencies must deal with this problem in the exercise of their traditional authority and control over curriculum and course content.

National Peace Academy.—The Senate bill, but not the House amendment, establishes a Commission on Proposals for a National Academy of Peace and Conflict Resolution. Under the provisions of the Senate bill for which an authorization of $200,000 is provided, the Commission shall undertake a study to consider a national academy, the feasibility of making grants to existing institutions of higher education, and other alternative proposals. The Commission shall submit a report to the President and Congress no later than one year after the date of enactment of this Act. The Senate recedes. The managers wish to urge the appropriate Committees of the Senate to give further study to this proposal to create a National Peace Academy and to encourage the appropriate committee in the House to conduct hearings on such proposal.

Study of Student financial assistance.—The Senate bill, but not the House amendment, directs the General Accounting Office to conduct a detailed analysis of the extent and effects of the Federal Government's regulations of educational institutions based solely upon the presence of students receiving Federal aid. The General Accounting Office shall report its findings to the Labor and Public Welfare Committee and the Education and Labor Committee within 9 months. The Senate recedes. The managers agree that a Congressional request shall be made of the General Accounting Office for the conduct of such a study.

Impact aid equalization.—The Senate bill, but not the House amendment, provides that in the application of equalization regulations under the Impact Aid Program, no payment may be withheld from and no repayment required of any State already counting impact aid funds in its State formula prior to promulgation of final regulations on July 1, 1977. The House recedes.

State equalization plan.—The Senate bill, but not the House amendment, extends until October 1, 1978, the period during which States may submit plans to the Commissioner for reimbursement of expenses for State equalization plans. The House recedes.

Indochina refugee children.—The Senate bill, but not the House amendment, provides that the contingent extension provisions of the General Education Provisions Act shall not apply to the Indochina Refugee Children Assistance Act of 1976. The House recedes.

Miscellaneous Amendments.—The House amendment, but not the Senate bill, would amend title IV of the Elementary and Secondary Education Act of 1965 to authorize State educational agencies to retain up to 2 percent of any funds appropriated for part B of that title (Libraries and Learning Resources) for State-level programs, projects, and leadership acitvities designed to expand and strengthen counseling and guidance services in elementary and secondary schools. Except for a five percent setaside for State administrative funds, State educational agencies are presently required to pass through all title IV funds to local educational agencies in the State. The Senate recedes, with an amendment which provides an equivalent authorization for these services for fiscal year 1977, and which provides that an amount representing such authorization for that year is not authorized to be appropriated for that year under title IV for grants under part B thereof.

Section 309 of the Adult Education Act presently provides that each State must use at least 15 percent of its State grant for special programs and teacher training. The House amendment, but not the Senate bill, would lower this amount to 10 percent of a State's grant. The Senate recedes. The managers do not tend that States should greatly reduce special programs and teacher training in adult education, unless the amounts of Federal funds available to States for regular adult education programs is less than amounts available in previous years. In 1974, PL 93–380 altered adult education special programs and teacher training from a program administered directly by U.S. Commissioner to a setaside of 15% in the State allotment. However, in a number of States, a change in allocation formula in that same law reduced amounts available in adult education for regular programs. The managers intend to provide flexibility to those States to continue programs, but wish to emphasize the continuing importance of special programs and teacher training as a vital component of a balanced State program for adult education.

The House amendment, but not the Senate bill, would amend Public Law 81–874 to restore to full payments the amounts paid under entitlements due to the presence of Federal land within school districts (section 2 of the Act). Those payments had been reduced to 60 percent of entitlements by Public Law 93-380. The Senate recedes.

The House amendment, but not the Senate bill, would amend the consolidation of programs under title IV of the Elementary and Secondary Education Act of 1965 to provide a separate authorization of appropriations in order to increase allotments under that title to any State to a level of funding which that State had been receiving under the separate categorical programs consolidated in title IV in fiscal year 1974. The Senate recedes.

The House amendment, but not the Senate bill, forbids the making of grants or contracts or the giving of support under the General Education Provisions Act for any purpose in connection with certain curriculum programs and materials. The House recedes.

Career education and career development.—The Senate bill, but not the House amendment, authorizes a new program of career education and career development, with $25 million authorized for FY 1978, $35 million for FY 1979, $45 million for FY 1980, $55 million for FY 1981, and $75 million for FY 1982. Up to 10% or $2 million, which ever is less, is reserved for program administration, of which at least $75% must be used for gathering, cataloging, and disseminating information on career education, periodic reports, analyses, and career information training sessions. Funds would be distributed among the States on the basis of population. Federal funds could not exceed 80% of the cost of programs, declining to 50% when the appropriation exceeds $55 million. States shall submit an annual program plan for development and improvement of career education and career development programs, including extending career education throughout the State and beyond the school, implementation of new concepts, training programs, and cooperative arrangements. The program would be administered through the existing office of Career Education, and the National Advisory Council on Career Education would have its functions expanded to advice on this program.

The House recedes, with an amendment which limits this provision to planning activities only, and which limits the program to an authorization of $10,000,000 for fiscal year 1978. The managers have limited this provision to planning because we hope Congress next year will address itself to a major bill implementing career education.

Guidance and counseling.—The Senate, bill, but not the House amendment, authorizes a new program of guidance and counseling with an annual authorization of $20 million for each fiscal year through 1982. The Commissioner shall establish or designate an administrative unit within the Education Division to carry out this program and coordinate guidance and counseling activities in all programs. The Commissioner may make competitive contracts and grants with public and nonprofit private agencies and organizations for institutes, work shops, and seminars designed to improve the professional guidance qualifications of teachers and counselors and to provide training for supervisory personnel. The House recedes, with an amendment which reduces the reservation for administration and specifies that such activities may include activities providing opportunities for guidance and counseling personnel to gain experience in work environments outside the schools.

TITLE IV—EDUCATION ADMINISTRATION

Title IX Amendments.—(a) The Senate bill, but not the House amendment, amends Title IX of the Education Amendments of 1972 (relating to sex discrimination) to remove from the applicability of that title any program or activity relating to Boys State, Boys Nation, Girls State or Girls Nation. The House recedes. In carrying out these amendments, the managers intend that the exceptions created by these amendments to Title IX are specifically limited to these situations.

The Senate bill, but not the House amendment, also amends Title IX by stating that father-son or mother-daughter activities cannot be precluded by that section, but if such activities are provided for students of one sex, opportunities for reasonably comparable activities shall be provided for students of the other sex.

The Senate bill and the House amendment both amend Title IX to remove from applicability any scholarship award by an institution of higher education to an individual because of personal appearance, poise, or talent. The Senate bill differs, however, in that it speaks of "such" award as being excluded under Title IX whereas the House amendment speaks of "an" award. The Senate bill also differs in that it states that the pageant must be in compliance with other nondiscrimination provisions of Federal law. The House recedes.

Improvement of Postsecondary Education.—The Senate bill extends the Fund for the Improvement of Postsecondary Education through fiscal year 1982; the House amendment extends it through fiscal year 1977. In addition, the House amendment recaptions section 404 of the General Education Provisions Act to make it read "Fund for the Improvement of Postsecondary Education". The House recedes with an amendment which extends the program through fiscal year 1979.

Regulations.—The Senate bill, but not the House amendment, clarifies the provisions of section 431 of the General Education Provisions Act, relating to congressional disapproval of regulations, by making it clear to which HEW issuances the disapproval authority applies.

The House recedes.

NATIONAL INSTITUTE OF EDUCATION

Members of National Council

The House amendment provided that members of the National Council on Educational Research shall be representatives of the general public, educational professions, and various fields of education. The Senate bill did not contain any similar provision.

The Senate recedes.

Terms of Council members

The Senate bill provided that a member of the Council shall serve until a successor is appointed. The House amendment contained the same provision and provided that such successor must be confirmed by the Senate.

The Senate recedes.

Council staff

The House amendment, but not the Senate bill, provided that the Council may employ not more than 7 technical and professional employees to assist the Council in carrying out its functions. These employees may be hired without the approval of the Director of the Institute and without regard to certain provisions of title 5, United States Code.

The Senate recedes.

Director's grade level

The Senate bill provided that the Director of the Institute shall be compensated at the rate provided for level IV of the Executive Schedule under section 5316 of title 5, United States Code. The House amendment did not change existing law which provides that the Director shall be compensated at the rate provided for level V of the Executive Schedule.

The Senate recedes.

Education extension agents

The House amendment, but not the Senate bill, provided that funds may be used for the dissemination of: (1) information relating to the results of educational research and development programs; and (2) other educational information. Projects to carry out such dissemination may include cooperative arrangements utilizing the services of individuals who maye be designated as "Education Extension Agents". Employment opportunities in connection with such projects shall be made available to residents of the area to be served, to the extent such residents are qualified for such employment.

The Senate recedes.

The managers wish to make it clear that intermediate education agencies, where they exist, may serve as the agency employing the Extension Agents.

Educational laboratories and centers

(a) The Senate bill, but not the House amendment, provided that not less than 25 percent of the funds appropriated to carry out the functions of the Institute shall be made available only for grants or contracts with regional educational laboratories and research and development centers.

The Senate recedes.

(b) The Senate bill, but not the House amendment, required the Director to enter into grants and contracts with regional educational laboratories and with research and development centers established by institutions of higher education.

The House recedes with an amendment clarifying that research and development centers may be operated by interstate agencies established by compact which operate subsidiary bodies established to conduct postsecondary educational research and development as is the case under existing law, which the House amendment continued.

The managers wish to emphasize their intent that the quality of work of those institutions making applications be considered as an important criterion for funding. Further, the managers do not intend that the phrase "the Director shall make grants and enter into contracts with" be construed to require the Director to fund proposals which do not meet the quality standards of the Institute.

(c) The Senate bill, but not the House amendment, provided that the Director may not enter into any grants or contracts with required labs and centers unless (1) proposals for assistance are solicited from regional educational laboratories and research and development centers; (2) such proposals are developed in consultation with the Director; (3) proposals are submitted in an application, containing such information as the Director may require, which assures that the laboratory or center involved will (A) be responsible for the conduct of research and development activities and the evaluation of such activities; (B) disseminate information developed in connection with such activities: (C) provide technical assistance to appropriate educational agencies and institutions; and (D) provide training to individuals in the use of new educational methods; (4) the Director determines that the proposed activities are consistent with the educational research and development program conducted by the Institute; and (5) a Panel established by the Director has reviewed the proposal and made recommendations regarding the proposal.

The conference substitute follows the Senate bill, except that the conference substitutes provides, with respect to applications submitted to the Director, that such applications shall contain such information as is essential to carry out the provisions of the grant program. The conference substitute requires laboratories and centers submitting applications to provide assurances which are the same as those contained in the Senate bill, except that the conference substitute provides that such laboratories and centers need only to ensure that information will be disseminated, and that training for individuals shall be provided to the extent practicable.

The conference substitute also eliminates the requirement that the Panel for the Review of Laboratory and Center Operations review proposals before grants are awarded. The conference substitute requires a laboratory or center submitting an application to provide assurances that such laboratory or center will prepare a long-range plan relating to the conduct of research and development activities. The Panel is required to review, and prepare recommendations with respect to, initial long-range plans prepared by such laboratories and centers.

(d) The Senate bill, but not the House amendment, required the Director to establish a Panel for the Review of Laboratory and Center Operations, composed of not less than 10 members nor more than 20 members appointed by the Director from a list of nominees submitted by regional educational laboratories and research and development centers, by associations engaged in educational research, and by other similar associations. The Panel was required to review proposals, review the operations of laboratories and centers, and submit an annual report to the Director of the Institute and to the Congress. Members of the Panel serve for terms of 5 years. Nongovernment members of the Panel are entitled to compensation at the rate specified for Grade GS-18. Such members also are entitled to travel expenses, including per diem in lieu of subsistence, in the same manner as persons intermittently employed in the Government service. The Director of the Institute is authorized to employ professional, technical, and clerical personnel and to procure the services of experts and consultants.

The conference substitute follows the Senate bill, except for the following differences. The conference substitute provides that members of the Panel shall be appointed by the Director from written recommendations submitted by educational laboratories and research and development centers. The managers intend that all laboratories and centers eligible to submit applications be given the opportunity to submit recommendations as to the Panel membership. In addition, associations of professional, commercial, scholarly, and educational associations are eligible to submit recommendations for Panel membership.

The conference substitute requires the Panel to review initial long-range plans, rather than to review proposals submitted by laboratories and centers.

The final report of the Panel is to be submitted by January 1, 1979. The managers urge the Panel to submit its report to the Director before submitting such report to the Congress, in order to provide the Director with an opportunity to supplement the report with his comments. The managers wish to make clear, however, that any such referal of the Panel's report shall not be used to delay transmission of the report to the Congress. In the event the comments of the Director are not forthcoming within a reasonable period of time, the Panel's report would be submitted without comment.

The conference substitute omits the provisions of the Senate bill relating to the terms of office applicable to members of the Panel.

The managers, with respect to the Institute's building a national capacity for educational research and development, encourage the Institute to work out a system whereby all regions of the Nation can be served by educational laboratories.

(e) If the Director of the Institute disregards any recommendations submitted by the Panel, the Senate bill required the Director to report to the Panel in writing with respect to his reasons for disregarding the recommendations of the Panel.

The Senate recedes. The managers wish to emphasize, however, that they expect that the Director will inform the Panel, in such fashion, without any statutory requirement.

(f) The Senate bill provided that any regional educational laboratory or research and development center which receives assistance under the provisions of the Senate bill shall not, as a result of the receipt of such assistance, be ineligible for the receipt of any other assistance from the Institute.

The House recedes.

Federal Council on Educational Research and Development

The House amendment, but not the Senate bill, established, within the Institute a Federal Council on Educational Research and Development composed of at least 17 statutorily-required members; the Director of NIE is chairman.

The Federal Council was required to: (1) advise, and consult with the Director of the Institute regarding problems arising in connection with carrying out the purpose of the Institute; (2) coordinate the policies and operations of the Institute; (3) promote coordination between programs of the Institute and related programs of other Federal agencies; (4) make an annual report to the Congress and to the President which reviews the status of educational research and development in the United States and which includes a catalog of federally assisted educational research and development programs, a report of the findings of such research and development, and recommendations for the improvement of Federal research and development efforts; and (5) make recommendations to the Congress and to the President regarding means for the dissemination throughout the United States of information relating to educational research and development, and assess methods used by Federal agencies for the dissemination of such information.

The conference substitute follows the House amendment, except that the conference substitute reduces the number of statutorily-required members of the Federal Council to include the following: a representative designated by the Secretary of Defense, a representative designated by the Secretary of Labor, the Director of the National Institute of Education, the Director of the National Institute of Health, the Director of the National Science Foundation, the Director of the Office of Child Development of the Department of Health, Education, and Welfare, and the Commissioner of Education.

The modification made by the conference substitute is intended to emphasize the major Federal agencies which should be an integral part of the Federal Council.

The managers expect that the President will appoint to the Council officials representing the various Federal agencies engaged in research relating to education.

The managers wish to make clear that, while the Federal Council will carry on an advisory function to the Director of the Institute, this should in no way be construed to be a policy-making function. The managers do not intend for this advisory function to interfer with the policy determinations of the National Council on Educational Research and of the Institute.

The conference substitute eliminates the provision of the House amendment which required the Federal Council to coordinate the policies and operations of the Institute. The conference substitute requires the Federal Council to promote coordination between programs and activities of the Institute and related programs and activities of other Federal agencies, including the joint support of activities to the extent such joint support is appropriate.

Authorizations

The following amounts were authorized by the Senate bill and the House amendment to carry out the functions of the Institute:

Fiscal year	Senate bill	House amendment
1976 (including transition period)	Such sums as may be necessary	No provision.
1977 to 1979	$500,000,000 for the entire 3-fiscal-year period.	$100,000,000 for fiscal year 1977, $120,000,000 for fiscal year 1978, and $140,000,000 for fiscal year 1979.
1980 to 1982	Such sums as may be necessary	No provision.

The conference substitute authorizes $100,000,000 for fiscal year 1977 and $200,000,000 for each of the fiscal years 1978 and 1979.

Consultation

The House amendment, but not the Senate bill, provided that the Director of the Institute shall, in conducting educational research dealing with specific education programs, consult with the appropriate Federal administrators of such programs. It also required the head of any Federal agency which conducts educational research to consult with the Director of the Institute with respect to such research.

The Senate recedes.

Presidential Advisory Councils.—The House amendment, but not the Senate bill, would amend section 433(b) of the General Education

Provisions Act. That section presently provides that if the President fails to appoint a member to fill a vacancy on a Presidential advisory council within sixty days after it occurs (or after the effective date of the statute creating such a council), then the Secretary shall immediately appoint a member to fill such vacancy. Instead, the House amendment provides that members whose terms have expired would continue to serve until their successors are named. The Senate recedes.

Prohibition of Federal Control.—The Senate bill, but not the House amendment, provides that Federal control of education is prohibited in all Education Division programs whether or not they are specifically listed. The House recedes.

Improved Educational Research Programs for Women.—The Senate bill, but not the House amendment, amends the National Institute for Education and the Fund for Improvement of Post-Secondary Education to stress attention to activities and programs for women. The Senate recedes. The managers recognize the need for such research, and that the Institute and the Fund, under existing authority, are carrying out many such research projects.

Paperwork.—The Senate bill provides that the Secretary and the Commissioner shall coordinate data collection activities of the Education Division and the Office for Civil Rights, in order to eliminate excessive detail and unnecessary or redundant information. The National Center for Education Statistics shall assist in such coordination, and shall require of each office a detailed justification of how information will be used and the number of man-hours required to collect it. Agencies and institutions subject to data requests, and their representative organizations, may comment within 30 days prior to the transmittal of the request of the Office of Management and Budget. Nothing shall be construed to interfere with the enforcement of the Civil Rights Act or of other nondiscrimination provisions. The Commissioner shall report annually on his progress in cutting down on paperwork.

The House amendment vests the coordinating authority in the National Center for Education Statistics. In addition to submission of a detailed justification and estimate of man-hours, each agency must state the sources of funds for each request for information. In addition, under the House amendment, the Center must, upon request, provide the Committee on Education and Labor and the Committee on Labor and Public Welfare with objective descriptions of the best means in which to formulate legislation in order to avoid redundant information requests and excessive detail. The House recedes.

Equal Educational Opportunities Act Amendment.—The House amendment, but not the Senate bill, amends the Equal Educational Opportunities Act by removing from section 203(b) the following phrase: "except that the provisions of this title are not intended to modify or diminish the authority of the Federal courts of the United States to enforce fully the Fifth and Fourteenth Amendments to the Constitution of the United States." The House recedes.

Administrative Hearing.—The House amendment but not the Senate bill, gives a State or local educational agency or institution of higher education, community college, school, agency offering a preschool program, or other educational institution the right of due process of law, including a hearing before an administrative law judge, before the extension of Federal funds to such agency or institution through grant, loan, contract, student assistance, or any other programs may be limited, deferred or terminated by the Secretary except that this provision does not apply to Part B of Title IV of the Higher Education Act (insured loan program). The agreement reached in conference adopts a substitute which limits the provision to local educational agencies with respect to the nondiscrimination provisions of Federal law, which provides for a 30-day prior written notice requirement, a hearing on the record within 60 days from the commencement of any deferral, the conclusion of the hearing and decision within 90 days of commencement of the hearing, and a deferral period not to exceed 15 days after a decision is rendered, unless there has been an express finding of failure to comply, and requires procedures to insure the availability, without fiscal year limitation, of sufficient funds to comply with the decision of the administrative law judge.

The amendment sets up the procedures for the deferral and/or limitation of Federal financial assistance to local educational agencies and does not address the question of the Secretary's authority to limit or defer Federal financial assistance in this area. The Conferees wish to state that this language, by its adoption, does not imply, one way or the other, that the Secretary does or does not possess the authority to defer or limit Federal financial assistance to institutions of higher education or community colleges.

Goals and Quotas.—The House amendment but not the Senate bill, makes it unlawful for the Secretary of HEW to require the imposition of quotas, goals, or any other numerical requirements on the student admission practice of an institution of higher education or community college, and funds cannot be deferred or limited on the basis of failure to comply with such numerical requirement. The Senate recedes, with an amendment which makes unlawful deferral or limitation of funds on the basis of failure to comply with imposed quotas or numerical requirements having the effect of quotas. The conferees wish to state that this language, by its adoption, does not imply, one way or the other, that the Secretary does or does not possess the authority to defer or limit Federal financial assistance to institutions of higher education or community colleges on other grounds.

Extension of certain reporting dates.—The Senate bill, but not the House amendment, extends the reporting dates for the Commissioner's personnel report, the Commissioner's annual report, the spending plan under the Special Projects Act, and the Safe Schools Act report, to reflect the change in the fiscal year and for other administrative reasons. The House recedes.

Indian postsecondary schools.—The Senate bill, but not the House amendment, makes postsecondary schools operated by the Bureau of Indian Affairs eligible to participate in Education Division programs, if they meet the other eligibility criteria for the program. The House recedes.

TITLE V—TECHNICAL AND MISCELLANEOUS EDUCATION AMENDMENTS; TRANSITION PERIOD AND EFFECTIVE DATES

Technical Amendments.—Certain technical amendments appear in the House amendment, but not in the Senate bill. All of these technical amendments are corrections of errors, updatings of reporting dates, and so forth, of provisions appearing in the Education Amendments of 1974 (Public Law 93–380). The Senate recedes.

The House amendment, but not the Senate bill would amend the "hold harmless" provision for State agency programs under title I of the Elementary and Secondary Education Act to include those programs in Puerto Rico. The Senate recedes.

Reorganization of the Education Division.—The Senate bill, but not the House amendment, reorganizes the Education Division, placing all programs under the Commissioner, who is promoted to a level III of the Executive Schedule. The existing Assistant Secretary position, a level IV, is repealed. Day-to-day operation of the Office of Education would be the responsibility of a new Administrative Deputy Commissioner, at Executive Level IV, subject to Senate confirmation. Appropriate changes are made in existing law to reflect the reorganization. In all instances, statutory references to the "Assistant Secretary for Education" are changed to the "Commissioner of Education". With one exception, no specific statutory authority is given to the Administrative Deputy Commissioner. The provisions are effective on January 1, 1977. The Senate recedes, with an amendment which directs the Secretary of Health, Education, and Welfare to study and report, by June 30, 1977, on the need for reorganization of the Education Division.

Wayne Morse Chair of Law and Politics.—The Senate bill, but not the House amendment, authorizes the Commissioner to pay up to two-thirds of the cost of establishing the Wayne Morse Chair of Law and Politics at the University of Oregon; $500,000 is authorized to be appropriated. The House recedes, with an amendment directing that the Federal share be no more than 50 percent of the cost.

The managers expect that any funds appropriated for this purpose will be released by the Commissioner to the University only as the University documents that it has raised portions or all of the non-Federal share.

Department Day Care Centers.—The Senate bill, but not the House amendment, authorizes the Secretary of Health, Education, and Welfare to establish and operate a day care facility for children of Health, Education, and Welfare employees and to accept contributions for use in connection with such day care facilities. The House recedes with an amendment under which such facilities may be established, but for which appropriated funds may not be used for equipping or operation of such facilities, although appropriate space may be donated, and initial equipment (if the cost is reimbursed over the life, not in excess of 10 years, of such equipment) may be purchased.

Transition period and effective dates.—The Senate bill, but not the House amendment, has a general authorization for the transition quarter. The Senate bill also has a general effective date of 30 days after enactment of the legislation, except where other effective dates are specifically noted in the bill. The House amendment has no general effective date. All provisions of the Vocational Education Act, except for the one-year extension of programs, the provision requiring assignment of personnel to the Bureau of Occupational and Adult Education, the provision requiring the studies, and the provision requiring improved data collection, are effective on October 1, 1977. The provision authorizing planning grants for vocational education for fiscal year 1977 is effective only for that fiscal year. Changes in the National Institute of Education are effective upon date of enactment. The substitute agreed to in conference combines the provisions of the Senate bill and the House amendment.

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